PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 71

HOUSE OF COMMONS

OFFICIAL REPORT

SECOND SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-THIRD YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1984-85

COMPRISING PERIOD
14 JANUARY—25 JANUARY 1985

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IN THE SECOND SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-THIRD YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 71**

FIFTH VOLUME OF SESSION 1984-85

House of Commons

Monday 14 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

London Transport (Travel Passes)

1. **Mr. Greenway** asked the Secretary of State for Transport if will make a statement on the future of travel passes in London for pensioners, blind and disabled people.

The Secretary of State for Transport (Mr. Nicholas Ridley): I understand that for 1985-86 the GLC has announced its intention to continue to fund concessionary travel for pensioners in London. Thereafter, the responsibility for pensioners' concessionary travel will rest with the boroughs, which will continue to fund concessions for the blind and disabled.

Mr. Greenway: Will my right hon. Friend accept the congratulations of the blind, disabled and pensioners of London on guaranteeing their passes for the first time, which no Labour or Lib-Lab Government ever did or thought of doing?

Will my right hon. Friend also consider asking London Regional Transport to allow homeless people to go on to underground stations during very cold weather, pending resolution of their tragic homelessness?

Mr. Speaker: Order. That is somewhat wide of the original question.

Mr. Ridley: On the first point, I am grateful to my hon. Friend. It would be helpful if the Association of London Authorities joined the current discussions to see how best to get a voluntary scheme among the boroughs for 1986-87.

On the second point, I shall draw my hon. Friend's comments to the attention of London Regional Transport, if that is in order.

Mr. Tony Banks: Can the Secretary of State give an assurance to pensioners that their passes will in no way be put in jeopardy by the mess that he has made over LRT's budget for next year and the excess £50 million that he demanded from the GLC in a manner described by Mr. Justice McNeill as

"illegally, irrationally and procedurally improperly"?

Can the right hon. Gentleman also tell us whether fares will have to go up 15 per cent. to cover his incompetence in organising a budget?

Mr. Ridley: On the first point, the hon. Gentleman and the House know that a statutory back-up scheme for concessionary travel for pensioners in London is enshrined in the London Regional Transport Act. A threat to pensioners would arise only if the abolition Bill did not make speedy progress to the statute book.

On the second point, the hon. Gentleman will know that we have appealed against the judgment, and therefore it is sub judice.

Mr. Snape: Does the Secretary of State accept that he has no cause for self-congratulation? He accepted the amendment to include provision for concessionary fares in the LRT Bill most reluctantly. Following the question of my hon. Friend the Member for Newham, North-West (Mr. Banks), does the right hon. Gentleman consider that, as a result of the impact of the court's judgment on pensioners' and other concessionary fares in London, he owes the House an explanation, the GLC an apology and the ratepayers of Greater London £50 million?

Mr. Ridley: The hon. Gentleman knows that it was to stop the scurrilous groundless rumours that concessionary fares were under threat—which were being peddled by the hon. Gentleman and his hon. Friends—that we

underwrote those fares in the Bill. I do not see why the hon. Gentleman is complaining about that now. That is what he wanted. I repeat that the other matter to which he referred is sub judice.

Heavy Lorries

2. **Mr. Dykes** asked the Secretary of State for Transport if he will make a statement on the progress of the development of the quieter heavy lorry.

The Minister of State, Department of Transport (Mrs. Lynda Chalker): The quiet heavy vehicle project — QHV90 — is making good progress. Most of the contracts have been placed with the industrial partners and I expect the programme to be substantially completed within the next four years.

Mr. Dykes: I am grateful to my hon. Friend for that reply. Will she assure the House that the industry is not going slower than necessary on the development of the quieter heavy lorry, because that development was the essential quid pro quo for the approved increase in lorry weights? The development of the quieter heavy lorry is a better way forward than daft administrative bans in some areas, as currently proposed by the Greater London council.

Mrs. Chalker: My hon. Friend is absolutely right; and I can give him the assurance that the project, costing about £10 million in total, is on target and proceeding well.

Mr. Spearing: Does the Minister agree that the possible ban to which the hon. Member for Harrow, East (Mr. Dykes) referred would not apply to completely quiet lorries? Will she look into the figures quoted by the GLC? Is it not probable that such quietness could be achieved at even lower costs than have been considered so far? Will the Minister look into the matter immediately, notwithstanding the four-year programme that she has mentioned?

Mrs. Chalker: The hon. Gentleman should not take comfort from the discussion that has gone on about hush kits, to which I think he is referring. Although I regret it, there is no range of hush kits ready and waiting to be fitted to the many different types of lorry in use today. The way to achieve the realistic and lasting reductions in lorry noise mentioned by my hon. Friend the Member for Harrow, East (Mr. Dykes) is by design, as is being done in the QHV90 project. We shall ensure that when the first prototype comes along, in good time, it is followed by others; and we shall start manufacturing at the earliest possible date to the QHV90 specification.

Bus Bill

3. **Mr. Marlow** asked the Secretary of State for Transport when he expects the Bus Bill will be presented.

Mr. Ridley: Shortly, Sir.

Mr. Marlow: Seeing that the bus's share of personal transport has fallen to a meagre quarter of what it was 30 years ago and yet the revenue subsidy spent on buses is some 50 times as great as it was 10 years ago, is it not clearly time that some radical change and solution were introduced? Is it not the case that anyone who looks at the situation objectively finds himself fundamentally behind the proposals in the White Paper?

Mr. Ridley: My hon. Friend is quite right. I think that the subsidy is about 14 times greater, but otherwise I entirely agree with what he has said. In Northampton, the revenue support is 16 per cent. of the total cost of the bus operation. We believe that that money can be saved by increased efficiency or productivity, as has been demonstrated in many areas where competition has been tried. I believe that when the Bill is published, the policy before the House will lead to greater and better bus services and smaller subsidies, to the benefit of all concerned.

Mr. Stephen Ross: We hope that the delay in publishing the Bill means that the Secretary of State is taking on board some of the more sensible representations that have been made to him by the Bus and Coach Council and by Hackney carriage proprietors, among many others. Is that so?

Mr. Ridley: Many responses to the consultative documents have been received, and we have been careful to take all the good advice that they have included. I am sure that I can count on the hon. Gentleman to support the princples of competition and of putting the consumer first, which used to form one of the Liberal party's foremost platforms.

Mr. Parris: Will my right hon. Friend attend not only to the chorus of vested interests that can be expected to be raised against such a change, but to the interests of those passengers who benefit from these changes but who do not yet know who they are?

Mr. Ridley: We know that about 40 per cent. of the population depend on buses, and that is a very large clientele. I confirm that the proposals in the White Paper, and eventually in the Bill, are designed to assist and improve the lot of the passengers rather than of the operators.

Mr. Roy Hughes: Is it not time that the Secretary of State realised that his proposals are causing great anxiety throughout the community? Does he appreciate that many of those with vast experience of the transport industry believe that deregulation is a receipe for disaster? Is it not time that he rethought the whole issue and entered into further discussions with the local authorities, trade unions and voluntary bodies, such as the National Federation of Women's Institutes.

Mr. Ridley: If the hon. Gentleman has the interests of the passengers at heart, he should try to reassure them that the Government's proposals will not only increase the standard and frequency of services but also, we hope, reduce fares in many cases. He should be reassuring his constituents that the proposals are in their interests. He should not be listening so much to the operators.

Mr. Robert Atkins: Does my right hon. Friend recognise that long delays in the introduction of the Bill will not help the future of Leyland Bus, in my constituency which manufactures the best buses in the world? Does my right hon. Friend recognise that an urgent introduction of the Bill, allowing for all the changes and considerations that might have to be made, is in the interests of the manufacturers as well as of potential passengers?

Mr. Ridley: In view of my hon. Friend's urgent representation I shall alter my original answer from

"Shortly" to "Very shortly." I am fully aware of the problems of Leyland Bus. I have visited the factory. After an initial difficult period, I am sure that our policy, will result in more orders for the British bus industry, provided that it is competitive and supplies the market with what it wants.

Mrs Dunwoody: Does the Secretary of State not understand that the elimination of cross-subsidy between routes will materially damage, above all, the people who live in rural areas? Since his White Paper said that the three trial areas had been failures, why is the right hon. Gentleman not prepared to accept that what he suggests is totally unworkable and irresponsible, and is aimed particulary at the people who cannot hit back—the bus passengers?

Mr. Ridley: The hon. Lady has got it wrong again. If she studies the trial areas in Hereford and Worcester she will discover that the absence of cross-subsidy has resulted in a reduction in the subsidy, the same network being provided in the rural areas and with lower fares in many cases. What happened in Hereford and Worcester can be applied generally to the rural areas and so provide better bus services with greater frequencies and at less expense.

Rural Bus Services

4. **Mr. Freeman** asked the Secretary of State for Transport what specific definition of rural areas he proposes should be used for the purpose of transitional grant aid for bus services in such areas.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): For the purpose of the rural bus grant we propose to define rural areas as being areas outside metropolitan counties and the larger towns as measured by data provided by the Office of Population Censuses and Surveys. We shall listen to the views of Members as to the size of small town which should qualify as rural.

Mr. Freeman: I am grateful to my hon. Friend for that reply. On the assumption that the new levels of rate support grant will compensate the county councils for the loss of the revenue element of the transport supplementary grant, how will the £20 million of transitional aid in the first year to the rural areas be distributed so that the benefit goes to the rural areas?

Mr. Spicer: The switch to capital only TSG will make no difference to revenue support, which will continue to be at the discretion of local authorities. The rural bus grant will be given through the fuel duty rebate mechanism. Operators will apply for the rural bus grant element on the basis of the services registered in rural areas.

Mr. Haynes: Why does the Secretary of State keep saying that we shall receive a better bus service under the Bill? Does the Minister not realise the serious effect that the Bill will have upon rural areas? It is no good talking about the transitional period, because we are talking about regular periods afterwards, bearing in mind that bus services will be seriously reduced in rural areas, particularly in my constituency.

Mr. Spicer: Rural bus services — indeed, all bus services—have declined in the last 10 years by over 25 per cent. The trial areas in which we have experimented show that we can stop the rot and increase the quality and number of buses.

Mr. Adley: Is my hon. Friend aware that many of us applaud the theory behind the Bill, but have doubts about the practice? In the past few years in this place some of us have had experience of Governments who have had good ideas in theory but who have finished up a few years later wishing that they had done nothing of the sort.

Does my hon. Friend recognise that the success in Hereford and Worcester was due largely to the enthusiasm and support of the county councils for the scheme? If he tries to bulldoze the proposals through in the face of hostility from county councils, he may well find a difficult situation. As the Bill has been delayed, will he please bear in mind that willing support should be a prerequisite to what he is trying to do?

Mr. Spicer: Yes, Sir. I can confirm that the Association of County Councils has given the proposed Bill its support.

Publicity Campaigns

6. **Mr. Hunter** asked the Secretary of State for Transport what road safety or vehicle maintenance publicity campaigns are currently being conducted; and what is their cost.

Mrs. Chalker: Our publicity programme for 1984-85 has an estimated cost of £3,953,000 and has included major campaigns on child pedestrian safety, cycling safety and drinking and driving. The programme for this financial year is now largely complete.

Mr. Hunter: Bearing in mind the additional seasonal hazards facing motorists, which are likely to be with us for some weeks, will the Department consider intensifying publicity campaigns, with the aim of seeking a greater awareness of vehicle maintenance and safety among motorists when driving in ice and fog?

Mrs. Chalker: I am grateful to my hon. Friend for that question. Of course, publicity on vehicle maintenance is important. We have brought out much publicity and always do so whenever new regulations are introduced. In hazardous weather motorists must be aware that they should go out only if it is really necessary. They should check their fuel, oil and anti-freeze and ensure that their windscreens and lamps, both front and rear, are clean. However much hon. Members may charge me with being a nanny in that respect, I must say that those who do the sensible things on the road are more likely to be safe and here next week to tell the tale than those who ignore commonsense advice, which is what motoring in winter weather is all about.

Mr. Stott: As the hon. Lady and I have an abiding interest in road safety, may I ask whether she or the Department has any views on the quality of road safety which is currently being afforded by Sir Clive Sinclair's latest invention, which I am given to believe is a bike?

Mrs. Chalker: The hon. Gentleman is right to say that the C5 is a trike which falls completely within the electrically assisted pedal cycle regulations. I should make it clear that it is a bike in the sense that one has to pedal in it. There is no way in which it is a motor vehicle. We are obviously monitoring what is going on at the road research laboratory.

Mr. Higgins: I welcome the recent poster campaign encouraging pedal cyclists to have lights on at night. Will

my hon. Friend recognise that the number of bicycles without lights is still appallingly high, and will she encourage the full enforcement of the law on those who risk their lives and other people's safety?

Mrs. Chalker: I could not agree more with my right hon. Friend. Whenever we can we point that out, and I know that, whenever possible, police forces insist that cyclists obey the law and have properly lighted cycles. All cyclists put themselves in terrible jeopardy if their cycle lights are not in proper working order and if they are not dressed so that they can be clearly seen on the roadway at all times.

Bus Deregulation

7. **Mr. Cowans** asked the Secretary of State for Transport what recent representations he has received about the effect on rural bus services of bus deregulation.

8. **Mr. Parry** asked the Secretary of State for Transport what recent representations he has received about his White Paper on buses.

9. **Mr. Gareth Wardell** asked the Secretary of State for Transport what recent representations he has received about the buses White Paper and its effect on rural services.

Mr. Ridley: I have received about 7,000 responses so far to the White Paper on buses and the consultation documents which were issued subsequently. A substantial proportion of the responses have speculated about the effects of the proposals on rural bus services.

Mr. Cowans: I assume that the Minister has read all the representations and taken due consideration of them. I say that because when the Under-Secretary of State answered question 4 he led the House to believe that the Association of County Councils supported the White Paper on buses, yet when it gave evidence to the Select Committee its view was somewhat different. I do not know whether it has had a remarkable change of opinion in the past 48 hours.

Assuming that the right hon. Gentleman does read the representations—I am sure that he does—does he realise that there is wide and growing concern, not only in the industry, but among passengers, that his proposals will decimate rural transport and isolate entire communities? Will he, even at this late stage, go back to the drawing board and return with some workable and realistic proposals which many within the industry and the passengers may find able to support?

Mr. Ridley: I am surprised to hear the hon. Gentleman, so early in the day, prejudging the inquiry into these matters by the Select Committee of which he is Chairman. I have read the written representations of the Association of County Councils, which were broadly supportive of the proposals, though querying some of the detailed provisions. The hon. Gentleman would be mistaken to try to frighten rural passengers about these proposals. He may be interested to learn that in Hereford and Worcester 38 per cent. of the total revenue subsidy cost was saved, which would have been available had the county council wished to buy more rural services. Instead, it preferred to leave the present pattern of rural services and make the saving for the ratepayers.

Mr. Maclean: Is my right hon. Friend aware that my constituents welcome the proposals because they realise that rural bus services are practically non-existent and that our proposals are the only hope of increasing those that exist? Does he think it significant that in recent months the Liberal party in my constituency, which likes to believe that it is the champion of rural services, has been trying to hype up a campaign against the proposals but has had to abandon it because last weekend it found not one supporter?

Mr. Ridley: My hon. Friend is the true voice in this House of rural dwellers, unlike the hon. Members for Tyne Bridge (Mr. Cowans), for Liverpool, Riverside (Mr. Parry) and for Gower (Mr. Wardell), who have asked the question. I agree that nobody can be satisfied with the present position of rural services and that the radical plan that the Government are putting forward to provide more and better services should be supported, even by hon. Members who represent urban constituencies.

Mr. Cartwright: In view of the support which expert bodies, such as the Bus and Coach Council, have given to the idea of introducing competition through the franchising of bus routes rather than having a free-for-all on the roads, may we be told whether the changes that the Secretary of State has made to his original proposals embrace that kind of approach?

Mr. Ridley: I do not believe that franchising would achieve anything like the scale of benefits that the proposals in the White Paper for full competition will bring, for two reasons. The first is that county councils would, under the franchising proposals, use their judgment as to what was the right pattern of supply to meet the market, rather than allow the market to determine the pattern of supply of services. The second is that once a franchise was obtained it would be protected from competition, and that would have the effect of not allowing the full benefit from increased productivity and reduced costs, which we believe will come from allowing full competition, to be developed.

Mr. Canavan: Will the Secretary of State confirm reports that he has had to delay publication of the Bill because of strong opposition from Members of Parliament, including some Tory Members who represent rural areas? Is the right hon. Gentleman aware that unless he wants to see public transport reduced to a mere skeleton service run by cowboys, he will have to scrap the Bill completely in view of the devastating effect that it will have on bus services, particularly in rural areas, and on jobs in the coach-building industry; for example at Walter Alexanders in my constituency?

Mr. Ridley: There has been an enormous number of representations and it has been important to take great care to design the detailed provisions of the Bill to facilitate the transitional period leading to the deregulated regime. That is why we are running slightly late. However, the hon. Gentleman will be pleasantly surprised by how soon the Bill will be in the Vote Office. If he has the interests of his rural passenger constituents at heart, I look forward to him joining my right hon. and hon. Friends in voting to support the proposals that are set out in the Bill.

Mr. Pike: Does the Secretary of State accept that while a small minority might have better services as a result of the Government's proposals, the cost will have to be paid for by those living in rural areas? Those living in rural areas and those who are dependent on off-peak services

and Sunday services, and the elderly and the disabled. About 3,000 of my constituents have written to me on this issue, as they are concerned about the Government's proposals. They hope that the Government will decide to withdraw them.

Mr. Ridley: Those who are paying the high levels of cross subsidy are those living in the cities, especially those in the hon. Gentleman's constituency. They live on bus routes on which there are many passengers. They are being taxed, as it were, to subsidise those who live in leafy suburbs in rural areas. As a Socialist, which I assume the hon. Gentleman to be, is he satisfied with that pattern of cross subsidy?

Mr. Beith: Does the Secretary of State realise that in Northumberland there will be commercial pressure for the operators to compete for the routes on the fringes of Tyneside, leaving local authorities with insufficient moneys to provide revenue subsidies to the operators, who are left to make an attempt to provide a service for the large and thinly populated rural areas?

Mr. Ridley: The hon. Gentleman knows that I am not a stranger to Northumberland. I can confirm that the bus service in rural Northumberland leaves a great deal to be desired. I believe he will find that a greater service is able to be provided for the same amount of money by receiving tenders for rural routes.

Mrs. Dunwoody: Will the Secretary of State make it clear that in areas such as Hertfordshire the cutting of a £1 million subsidy will result in the county spending £2·4 million on replacing school buses alone? Why does he not have the honesty to say that in the trial areas, expecially in Hereford, a number of buses were so dangerous that they had to be taken off the roads? It will be the passengers who will pay for the mad Bill that the Government propose.

Mr. Ridley: The hon. Lady has it wrong, again. I think that she read an article about Hertfordshire and the transport supplementary grant. That had nothing to do with the bus Bill. Secondly, the percentage of buses passing initial inspection in 1983-84 was as follows: National Bus Company vehicles 60 per cent., private bus operators' vehicles 56 per cent., passenger transport executive operators' vehicles 49 per cent., and London Transport vehicles 47 per cent. That shows that the private sector has an extremely good safety record.

Dial-a-Ride Service

10. **Mr. Tom Cox** asked the Secretary of State for Transport if he will list the London borough councils with whom he has discussed the future of the dial-a-ride service; and if he will make a statement.

Mrs. Chalker: We are in full discussion with the London Boroughs Association. We have also made contact with the Association of London Authorities, but we are still awaiting its response to our invitation to join the discussions.

Mr. Cox: Is the Minister fully aware of the increasing concern of the disabled and the organisations that represent them about the uncertainty of the future of the service? As the service is now being developed in London, it is the Government's duty to put some pressure on authorities such as the borough of Wandsworth, which will not make any commitment. It seems that the hon. Lady cannot be aware of the concern and could not care less whether the service continues or dies. It is up to the Government to help the disabled now that the service is in being.

Mrs. Chalker: It is my firm intention that the scheme shall be determined by the London boroughs, which are talking with us, and that includes Wandsworth. As a resident in that borough, I at least have some say in what goes on within it. The only doubt that is being put in the minds of the disabled about the dial-a-ride scheme is coming from those who are campaigning against the Government's policy. It is they who are worrying the disabled. I can assure the disabled that we are discussing the future of the dial-a-ride scheme. We recognise the importance of it, and the purpose of the talks is to find the best way of continuing to meet the need. I hope that the hon. Gentleman will desist from scaremongering, if that is what he has been doing.

Mr. Eggar: Is not the way in which the GLC is spending ratepayers' money and stirring up concern among disabled people completely disgraceful? Is my hon. Friend convinced that the way in which the GLC spends money on this scheme provides the best value for money for disabled people?

Mrs. Chalker: I am sad to say that the GLC is not spending money in the best possible way. What we have been doing with the London branch of the national advisory unit for community transport to make its schemes develop in the most effective and efficient manner is the best way in which we can help not only to maintain the dial-a-ride system but to provide other systems to enable disabled people to get around. I shall continue to ensure that that happens, whatever the GLC does.

Mr. Meadowcroft: Is the Minister aware that one reason why the disability organisations wish to have a better relationship with London Regional Transport is that they do not necessarily consider themselves to be clients of social services and, therefore, within the purview of the London boroughs? Does the hon. Lady accept, therefore, that it is desperately important that people who rely on dial-a-ride should be able to look forward to that kind of relationship with LRT?

Mrs. Chalker: The hon. Gentleman's statement bears out the steps that LRT is taking with the new heads of its unit and one of its board members, who is directly responsible for the transport of disabled people in London. A number of the organisations for the disabled have already told me that they are pleased with the steps that LRT is taking through that unit to help disabled people to use conventional and new forms of transport in the future.

Mr. Snape: Does the Minister accept that if the Department of Transport returns to the GLC the £50 million that the Department improperly filched from it, due to the incompetence of the Secretary of State, much more money will be available for the dial-a-ride scheme and other schemes? That is a fact, and not scaremongering.

Will you confirm, Mr. Speaker, that the purpose of the sub judice rule is to protect juries from being improperly influenced and that the rule has no relevance to a civil case, when a judge hearing an appeal is specifically precluded from referring to *Hansard*? It is about time that

Ministers, especially those in the Department of Transport, were responsible for their actions and stopped hiding behind their own cowardice.

Mr. Speaker: The sub judice rule would apply to civil cases.

Mrs. Chalker: Thank you, Mr. Speaker. I shall be guided by you. One of the problems of the dial-a-ride scheme—*[Interruption.]* If the hon. Member for West Bromwich, East (Mr. Snape) would listen, I might be able to give him an answer to his question. The point about the dial-a-ride scheme is that we must effectively serve the needs of disabled people. Their needs can be best identified by those who are closest to them at local level. We are seeking to obtain the best value for money so that dial-a-ride can best help those who cannot get on conventional transport, and we shall continue to do that.

Mr. Snape: On a point of order, Mr. Speaker. Will you accept a point of order?

Mr. Speaker: Order. Not now. I shall hear points of order later.

Later:—

Mr. Snape: On a point of order, Mr. Speaker. During an earlier exchange I referred to the judgment by the court last Friday that the Secretary of State for Transport had acted

"unlawfully, irrationally and procedurally improperly"

in taking from the Greater London Council the sum of £50 million to fund London Regional Transport. The Secretary of State's reply during that exchange was that the matter was sub judice.

First, my information is that by lunchtime today no official notice of appeal had been received by the court. Is the matter sub judice because the Secretary of State says so or because of some action taken by the Department of Transport?

Secondly, I understand that any press inquiries about the original court case made to the Department of Transport over the weekend were deflected by that Department on the ground that the matter was sub judice.

Thirdly, is it fair or proper for Ministers to hide behind the sub judice rule, when the purpose of that rule is to prevent the improper influencing of members of the jury rather than to prevent a judge from reaching a decision on the merits of a case?

If the House is not allowed to call Ministers to account, there is little purpose in Question Time or in asking Secretaries of State to come before the House.

Mr. Ridley *rose——*

Mr. Speaker: Order. Before the Secretary of State answers, perhaps I could clarify the issue. The resolution of the House on 23 July 1963 makes it clear that matters awaiting or under adjudication in a civil court should not be referred to in any question to a Minister, including supplementary questions, and this rule applies during the period when notice of appeal is given and until that notice of appeal has been decided. I am not aware whether the notice of appeal has been given.

Mr. Ridley: Further to that point of order, Mr. Speaker. We have given notice to the court of intention to appeal. That is not the same as formal notice of appeal, but, as far as I am concerned—I am not talking about Opposition Members—it would clearly be improper for me to respond in any way on the substance of the matters about which we have given notice to appeal. Perhaps I should not have used the phrase "sub judice", but that is why I refused to comment on the points of substance.

Mr. Snape: Further to that point of order, Mr. Speaker. May I ask you to give us a ruling as to when the sub judice rule applies? Does it apply when a Minister says that his Department intends, at some unspecified time, to appeal against a judgment with which he disagrees and as a result of which he has been found to be acting

"unlawfully, irrationally and procedurally improperly"

or does it come into effect when a physical application is made to a court that the original judgment be set aside?

Mr. Speaker: As I understand it, the matter is sub judice when a formal notice of appeal has been given.

Mr. Snape: Then, further to that point of order, Mr. Speaker, surely the Secretary of State is accountable for his actions and should have replied to the questions put to him during Question Time. As, in my limited experience, this situation is unprecedented, I ask you to allow an extension of Question Time so that the Secretary of State can be held to account for those unlawful, irrational and procedurally improper actions of which he has been found guilty by a court. When one reflects on the odium that the Government have poured on elected members of the GLC because of their attempts to run public passenger transport in London, it makes one feel that it is grossly improper to allow the Secretary of State to get away with hiding behind a sub judice rule which, as you have just ruled, does not exist.

Mr. Speaker: Order. The House knows that I am not responsible for answers or supplementary answers from the Front Bench. I cannot help the hon. Gentleman.

Mr. Tony Banks: Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. I think that we have exhausted this subject.

Mr. Banks *rose——*

Mr. Speaker: Order. I have already said that I cannot help the hon. Gentleman. I cannot allow an extension of Question Time. We have a busy day ahead of us.

Mr. Snape: Further to that point of order.

Mr. Speaker: Order. I cannot help the hon. Gentleman.

Mr. Snape: I have a different question.

Mr. Speaker: Well, ask it.

Mr. Snape: Further to that point of order, Mr. Speaker. I do not get any pleasure from doing this at this time of the day. However, you ruled that if a matter was sub judice the Secretary of State could not be expected to reply to questions on it. We have just heard that the matter is not sub judice, but the Secretary of State is still refusing to answer the question. I appreciate that you cannot tell the Secretary of State when or whether to answer a question in the House. However, I hope you will agree that it is a gross abuse of the proceedings of the House for the Secretary of State to claim something that is false. I am not allowed, by the rules of the House, to say that the Secretary of State was telling lies, but I am bound to say that I would have great difficulty in finding any other way

to describe his conduct this afternoon. I am asking you, Mr. Speaker, as the protector of the rights of all hon. Members, both Front and Back-Bench Members, to give a specific ruling that the Secretary of State is wrong and to call him to account and ask him what he is prepared to do about it.

Mr. Speaker: Order. I have given a factual ruling. I cannot go any further. The Secretary of State is responsible for what he says in answer to a question. He can answer it, but he need not do so, and that is a matter for him.

Mr. Ridley: Perhaps I might help. It is for you to rule, Mr. Speaker, whether a matter is sub judice. I made it clear during Question Time, and I repeat it now, that, as I have given notice of my intention to appeal, I shall not reply to questions that would prejudice that appeal when it comes on. That does not apply to the hon. Member for West Bromwich, East (Mr. Snape), but it does apply to me.

Mr. Tony Banks: Further to that point of order, Mr. Speaker. Will you give us your guidance on another point? Although you cannot require the Secretary of State to say anything specific about this matter, will you ensure that in both the Local Government Bill Committee tomorrow and in the rate support grant debate on Wednesday—because this judgment has an impact on the proceedings on both those measures—no one will be banned from saying something on the ground that the matter is sub judice, when it is clearly not sub judice?

Mr. Speaker: Order. The sub judice rule would not apply to legislation anyway, so the matter is open to the hon. Gentleman.

British Rail (Ancillary Services)

12. **Mr. Tracey** asked the Secretary of State for Transport what plans he has to discuss with the chairman of British Rail progress on contracting out ancillary services on the railways.

Mr. Ridley: It has long been British Rail's policy to procure its supplies through competition. I am glad to say that the board has now decided to extend competition to the provision of support services. It has drawn up criteria to establish this competition on fair and equal terms and I will arrange to put copies of the criteria in the library.

Mr. Tracey: I am grateful to my right hon. Friend for that answer. I should like to concentrate the attention of my right hon. Friend and the chairman of British Rail on catering services on British Rail trains and stations. I believe that they will find a considerable appetite for change among the public.

Mr. Ridley: My hon. Friend is right. So far, hardly any catering on the trains, and not all that much on the stations, is let out to competitive tender. The new criteria, which I urge my hon. Friend to study when he obtains his copy from the Library, will give the private sector the rules of the game, showing how the private sector may apply to British Rail to be allowed to bid for contracts to carry out catering—I hope to the general gastronomic satisfaction of all rail passengers.

British Railways Board

13. **Mr. Ron Lewis** asked the Secretary of State for Transport how many meetings he has had with the chairman of the British Railways Board since 1 October; and what subjects were discussed.

The Parliamentary Under-Secretary of State for Transport (Mr. David Mitchell): My right hon. Friend and I have had four meetings with the chairman since 1 October last. We have discussed a wide range of subjects of mutual interest, including investment.

Mr. Lewis: At the meetings with the chairman of the board, did the Minister and his superiors discuss the question of safety on British Railways? Is the hon. Gentleman aware that in the railway fraternity today there are some misgivings about the lack of maintenance of the old vehicles that are now running? Is he further aware that many trains are running late mainly because of a lack of normal maintenance procedures? At his next meeting with British Rail will he bring that matter up? Is he further aware that today on British Rail men and women work more overtime than is normal? Would it not be better to pay them a decent rate of pay and to employ more people?

Mr. Mitchell: The level of maintenance of rolling stock is a matter for British Rail management, and I shall draw the hon. Gentleman's point to the attention of the chairman. British Rail has embarked on a major programme of investment in new rolling stock. I have today written to Bob Reid, the chairman, approving investment in 240 medium-weight sprinter DMUs at a cost of about £60 million.

ATTORNEY-GENERAL

Conspiracy and Protection of Property Act 1875

53. **Mr. Alex Carlile** asked the Attorney-General how many persons were prosecuted in the Crown court in 1982, 1983 and 1984, respectively, for offences contrary to section 7 of the Conspiracy and Protection of Property Act 1875.

The Attorney-General (Sir Michael Havers): Offences under this section are purely summary and not justiciable in the first instance in the Crown court. Proceedings under this section are ordinarily instituted by the police and not by the Director. One prosecution was commenced in 1982, and two in 1983. Equivalent figures for 1984 are not yet available, but since 13 March 1984 275 people have been charged under this section.

Mr. Carlile: First, I am grateful to the Attorney-General for his correction about the mode of trial, which I accept. Does he agree that there is an urgent need for an early review of public order offences? Does he further agree that the revival of a previously disused public order offence specifically for the purpose of charging pickets in the miners' strike is liable to exacerbate already difficult circumstances unnecessarily?

The Attorney-General: The Home Secretary is conducting a review of the public order aspects of the law. The offence covered by section 7, of which the hon. and learned Gentleman disapproves, is not one which should or could be outside the criminal law. The value of a law is not measured in inverse proportion to the length of time

it has been enacted. There are three grades of unlawful assembly, for example, which the Law Commission recommended, of which the hon. and learned Gentleman is no doubt aware. Those matters are being considered by the Home Secretary, who, I hope, will be able to deal with them shortly.

Mr. Gerald Howarth: Is my right hon. and learned Friend aware that this piece of legislation came into effect precisely to deal with the sort of intimidation that we are seeing at the moment? Can he assure me that he has had consultations with chief constables about obtaining evidence from working miners to the effect that the National Union of Mineworkers' leadership is organising a conspiracy? Will he take this opportunity to encourage working miners to come forward with further evidence, which will enable the conviction of the ringleaders to take place so that my constituents, who, even today, are visiting me because they cannot get to work without suffering from intimidation, can get justice?

The Attorney-General: It is not for me to have conferences with chief constables. That would be a matter, if appropriate, for the Home Secretary. It is true that there is a dearth of evidence that would be necessary if, for example, the Director of Public Prosecutions were seeking to initiate proceedings for conspiracy under section 7. He would need to have evidence which, at the moment, is not available. I have no doubt that the chief constables are carrying out their duties properly. I would welcome any working miner who has evidence of an offence under section 7 making that evidence available to the police.

Mr. Nicholas Brown: Surely the hon. and learned Member for Montgomery (Mr. Carlile) has the better point here. The use of the legislation in recent times has concerned solely industrial disputes. There is a real fear and danger that it will be seen as partisan, and that respect for law and order will be undermined for a considerable period in communities where such a law is used.

The Attorney-General: I congratulate the hon. Member on his appointment to the Opposition Front Bench. I hope that he will enjoy it.

The 1875 Act was designed exactly for this sort of industrial dispute. I cannot imagine occasions on which it would be used other than in the course of industrial disputes. As I said in answer to the hon. and learned Member for Montgomery (Mr. Carlile), I cannot believe that the criminal law could be effective without at least having the section 7 offence or one similar to it.

Price Waterhouse (Sequestration)

54. **Mr. Adley** asked the Attorney-General what recent discussions he has had with Price Waterhouse about sequestration; and if he will make a statement.

The Attorney-General: I have not had any discussions with Price Waterhouse since my statement to the House on 11 December. I have nothing to add to what I told the House in that statement.

Mr. Adley: Is my right hon. and learned Friend aware that the National Union of Mineworkers and its Labour party allies are doing their best to put about the story that it is the Government who are somehow instigating the legal actions? Therefore, will the Attorney-General—and his right hon. and hon. Friends on the Front Bench and in the Government—take every opportunity to remind the public that this is not the case, and that the actions are being brought by working miners who feel that Mr. Scargill and his colleagues are purloining the union funds in a disgraceful and illegal way, in the light of the fact that there has been no ballot?

The Attorney-General: My hon. Friend is right. Last Friday there were three different actions before the High Court, in each of which the plaintiffs were working miners, some from south Wales and some from other mining areas.

The sequestration—and the order and the indemnity that I gave arising from it—was not for the benefit of the plaintiffs. It arose simply from a breach of an order of the court that amounted to contempt of court. In my role as guardian of the public interest I thought it necessary that I act to avoid the real risk that the order of the court could be flouted.

Mr. Skinner: Is the Attorney-General aware that he can try as hard as he likes to suggest that the Government are not involved in the court cases, but that when the public realise that the working miners' committee has been advised by two people who have served their apprenticeships at No. 10 under the Prime Minister, and take into account all the other people who have been assisting in the legal battles of working miners, they will be bound to come to the conclusion that the Government are heavily involved in the court actions? The Government are in it up to the neck, with a view to trying to smash the NUM, but they will not succeed. The Government see it as a prelude to smashing the whole of the TUC.

The Attorney-General: I am not sure whether it would be possible for a miner Member of Parliament to pay a greater insult to fellow miners than to say that they are acting under the advice and guidance of the Tory party. It is simply not true.

Latent Damage

55. **Mr. Chapman** asked the Attorney-General when he expects to conclude consultations following publication of the 24th report of Lord Chancellor's Law Reform Committee on latent damage.

The Solicitor-General (Sir Patrick Mayhew): The Lord Chancellor's Department has asked for any comments on the Law Reform Committee's report to be sent to it by the end of March.

Mr. Chapman: If it is my right hon. and learned Friend's intention to introduce legislation in this Session of Parliament, he will know that amendment and clarification of the law, particularly relating to latent defects in buildings, is urgently required by all those involved in the process of construction, not least by the owners and occupiers of buildings.

The Solicitor-General: The Lord Chancellor is well aware of the importance that is attached by many people, in the professions for which my hon. Friend speaks, to the contents of the report and to the subject generally. The Lord Chancellor is, however, equally determined to ensure that the public have an opportunity to comment upon the recommendations of the report. He has asked for those comments by the end of March. It is very important that any legislation should not be found to suffer from a latent

defect. Therefore, I am afraid that the Lord Chancellor cannot give the undertaking for which my hon. Friend asks.

Price Waterhouse (Sequestration)

56. **Mr. Winnick** asked the Attorney-General if any public funds have yet been paid to Price Waterhouse in regard to its role as sequestrators of the National Union of Mineworkers' funds.

The Attorney-General: No public funds have been paid to the sequestrators.

Mr. Winnick: Will the Attorney-General bear in mind that all the points made originally by the Opposition when the Government's decision became known remain justified, and that the amount of bias in the decision of the Government, who are acting in a way totally different from the way in which they have acted in any other circumstance, shows only too clearly that the right hon. and learned Gentleman should think about the matter again?

The Attorney-General: I ask the hon. Gentleman to read again the short speech, much interrupted, by my hon. and learned Friend the Solicitor-General when he wound up the debate on 19 December.

Mr. Spencer: Does my right hon. and learned Friend agree that there is a need for the High Court to have a permanent fund available to it for use in sequestration proceedings? Will he discuss with the Lord Chancellor how such a permanent fund might be set up?

The Attorney-General: Certainly, that is one of the matters that has arisen as a result of this quite exceptional action, which is without any precedent, as everybody knows. No doubt I shall have the opportunity to discuss it with the Lord Chancellor.

OVERSEAS DEVELOPMENT

Aid (Asia)

60. **Mr. Proctor** asked the Secretary of State for Foreign and Commonwealth Affairs what proportion of the overseas aid budget goes to Commonwealth countries in Asia; and if he will make a statement.

The Minister for Overseas Development (Mr. Timothy Raison): In 1983 some £187 million, amounting to 32 per cent. of British bilateral aid, went to Commonwealth countries in Asia. Over that period £125 million, or some 30 per cent., of our multilateral aid contributions went to the same countries.

Mr. Proctor: Does my right hon. Friend agree that the real shortage in those countries is of entrepreneurs? What part does the aid budget play in the creation of more entrepreneurs in those countries?

Mr. Raison: I do not think that it is as true of the Asian countries as it is of the African countries that there is a grave shortage of entrepreneurs. On the other hand, in one way or another, the aid programme provides scope for entrepreneurs, and we stress the importance of countries reducing their excessive overdependence on parastatals, which characterises so many of them at present.

Nicaragua

61. **Mr. Dubs** asked the Secretary of State for Foreign and Commonwealth Affairs if he will consider increasing aid to Nicaragua.

Mr. Raison: Her Majesty's Government have no plans to increase the level of their bilateral aid. Nicaragua does, however, benefit substantially from the European Community's aid programme.

Mr. Dubs: Is the Minister aware that Britain's bilateral aid currently stands at around £25,000 a year and that that sum seems to be very trivial in relation to the needs of the country? May I ask the Minister to reconsider increasing aid to Nicaragua, because if he does not do so many people will think that his motives are political spite rather than a realisation of the needs of the people of Nicaragua?

Mr. Raison: The fact of the matter is that Nicaragua is by no means the poorest of the countries in central America, and is not among the poorest 50 countries as defined by the World Bank. Our intention is to concentrate our aid as far as possible on the poorest countries, and Nicaragua does not fall into that category.

Mr. Meadowcroft: Does the Minister accept that, apart from humanitarian considerations, the recent history of liberation movements and other such organisations in Africa shows that if we in the West do not give aid to Nicaragua or countries like it, it is almost inevitable that such countries will be put into the hands of the Communist bloc, which will certainly aid them?

Mr. Raison: I can only repeat that it is not possible for the United Kingdom to undertake substantial aid programmes to every country in the world. We have our priorities, and of course countries with historic connections rate high in our priorities, by and large. Nicaragua is not one of the poorest countries.

Ethiopia

62. **Mr. Stuart Holland** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has called on the Ethiopian Government to negotiate safe passage with the liberation fronts in Eritrea and Tigre to ensure the distribution of food aid to those areas.

Mr. Raison: It would not be realistic or appropriate to expect the Ethiopian Government to negotiate with rebel movements in ways that might involve recognition of their claims. We have asked the Ethiopian Government on several occasions to ensure that food and other relief supplies reach all areas of the country. For some areas that is carried out most effectively by the voluntary agencies.

Mr. Holland: Surely the Minister is aware that the situation in key food distribution areas such as Makale is getting worse, not better, and that dozens of children are dying each day in such distribution centres, as many British people saw last week on television. The Minister has been to Makale and knows the problem there. The Government do not control the surrounding areas—the drought areas. Why is it inappropriate for the right hon. Gentleman to bring pressure on the Government? If he does not do so, or does not get the Council of Ministers of the EC to do so, there will be tens of thousands of needless deaths in the days and months to come.

Mr. Raison: With our partners we are now providing substantial quantities of food aid to Ethiopia, and that is

as it should be. We make sure that the food reaches the area around Makale. It is difficult—we do not deny it for one minute—to see that it is distributed to all those who come under the rebels' authority. On the other hand, substantial numbers of people are moving in from the rebel-held areas to Makale to get food there.

Sir John Biggs-Davison: With regard to my right hon. Friend's original answer, will he deny that the Royal Air Force is to be withdrawn from helping in Ethiopia?

Mr. Raison: We have not yet made a decision about that. The RAF has done enormously valuable work. We have to consider what is the best use of our resources.

Falkland Islands

64. **Mr. Dalyell** asked the Secretary of State for Foreign and Commonwealth Affairs what is *(a)* the total cost of the Brewster housing project in the Falklands, *(b)* how many Brewster houses are occupied and unoccupied, respectively, and *(c)* what are the categories of occupiers of the Brewster houses.

Mr. Raison: The final cost of the project will not be known until details of local expenditure on site services and infrastructure and other related claims have been submitted. At present, 33 houses are occupied and the breakdown of occupants is as follows: 13 islanders, 13 personnel on contract to the Falkland Islands Government, three immigrants and four diplomatic service and Ministry of Defence personnel. The Falkland Islands Government estimate that the remaining 21 houses should be occupied by the end of this month.

Mr. Dalyell: Is the cost above or below £100,000 per house, and does the Minister regard that as value for money?

Mr. Raison: It is above £100,000 per house, but it must be remembered that that includes the cost of transporting materials there, the preparation of the sites, provision of water, electricity and so on. The Falkland Islands Government have also acquired ownership of other assets such as plant, equipment and an accommodation block as part of that process.

Mr. Spearing: Does the Minister recall that the Select Committee on Foreign and Commonwealth Affairs was dissatisfied with the arrangements made by his Department for tendering for those projects and their subsequent administration? Will he consider that report and ensure that in any future emergency of this kind much better and clearer arrangements are made?

Mr. Raison: I have studied the report, although it relates to events that took place before I took up my present post. I accept that we must consider carefully what can be learnt from this episode, but I do not accept that the whole thing has been a waste of time and money.

Ethiopia

65. **Mr. Teddy Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs whether the additional quantities of food being provided for Ethiopia by the Common Market will be from additional resources or from reducing aid to other countries.

Mr. Raison: The cost of the 1·2 million tonnes of grain pledged by the European Council on 4 December for African countries affected by drought will be met by transfers from other parts of the Community budget not related to aid, from the unallocated emergency provision of the European development fund and from the 1985 Community food aid programme. In addition, member states will make available directly more than one third of the total amount. The British share of those actions will be met from the public expenditure provision for overseas aid.

Mr. Taylor: Is it not highly disturbing that the total amount of food that the Common Market plans to send to Ethiopia next year is less than the amount sent every six weeks to the Soviet Union? What justification can there be for anyone going without food in Ethiopia when such unmanageable surpluses are being sent to the Soviet Union at vast expense to the British taxpayer?

Mr. Raison: My hon. Friend should realise that the quantity of aid pledged by the Community to Ethiopia and other parts of Africa is very substantial. He should also realise that the sending of Common Market grain surpluses is not a matter of giving something away free. It involves substantial costs — about £250 per tonne of grain transported and delivered in Ethiopia. The equation is thus more complicated than my hon. Friend suggests.

International Planned Parenthood Federation

66. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs what amount the United Kingdom will contribute to the International Planned Parenthood Federation in 1985-86.

Mr. Raison: We have agreed to contribute £3·75 million to the International Planned Parenthood Federation in 1985.

Mr. Deakins: The Minister must be aware of the total withdrawal of funding to the IPPF next year by the United States. Will he bear that shortfall in mind, as the IPPF contributes to many valuable programmes in the developing world and it would be appalling if that work had to be substantially reduced?

Mr. Raison: I am aware of the cut in support from the United States, but the £3·75 million to which I have referred is an increase from £3 million in 1984, so I believe that we are doing our bit.

Turks and Caicos Islands (Airport)

68. **Mr. Spearing** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement concerning the closure of the new airport at Providenciales in the Turks and Caicos Islands.

Mr. Raison: The airport was closed to scheduled jet services from 29 November to 19 December while maintenance work was undertaken on the runway. It is now open and operating normally.

Mr. Spearing: Does the Minister recall that another report of the Foreign Affairs Select Committee expressed dissatisfaction with his Ministry's arrangements for the construction of the runway? Will he assure the House that he will investigate the events of that time and the effect that they may or may not have had on the closure of that controversial airport?

Mr. Raison: I do not believe that the events of that time had any effect on the recent developments. I am advised that it is not unusual for such cracks to appear. The runway is now operating successfully and so, I believe, will the Club Med project.

Sterling (Exchange Rate)

3.38 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook) *(by private notice)* asked the Chancellor of the Exchequer if he will make a statement on the sterling exchange rate and the prospects for interest rates in Great Britain.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Movements of the exchange rates on the markets over the past few days have been fully reported.

As my predecessor made clear to the House on a previous occasion, successive Governments have made it their practice not to make statements about the level of the exchange rate; and like him I do not intend to depart from that practice.

So far as interest rates are concerned, the Bank of England announced this morning that its minimum rate for lending to the discount market would be 12 per cent. This demonstrates the Government's resolve to maintain sound monetary conditions and to take whatever steps are necessary to ensure continued success in the battle against inflation.

Mr. Hattersley: Does the Chancellor of the Exchequer recognise that today's events demonstrate that the Government's economic policy is a shambles, and that its inadequacy has been emphasised by his incompetence and vacillation during the past week? Will he confirm that interest rates now stand at the figure which the Government inherited in 1979? We have had public spending cuts, and unemployment has been pushed up to record levels, but the central objective of lower interest rates has not been achieved.

Secondly, what, if anything, is the Chancellor's exchange rate policy? Will the pound soon be left once more to market forces, or is today's open intervention an admission that his supine inactivity during the past fortnight has contributed to today's crisis and will result in a certain increase in mortgage rates during the next 14 days? Will he have the grace to admit that a policy which he repeated and confirmed only a week ago—leaving interest rates to be determined solely by market forces —has been abandoned, in disaster for the economy and in humiliation for the Chancellor of the Exchequer?

Mr. Lawson: I note, as the House will have noted, that the right hon. Gentleman described the level of interest rates that we inherited from his Government as a shambles. The objective of Government policy is to reduce inflation, to hold it down and to reduce it still further. We have succeeded in doing that, but the Labour Government failed conspicuously to do it, despite the fact that, on several occasions, the right hon. Gentleman declared that to be the central objective of their policy.

As to open intervention, I should remind the right hon. Gentleman that, when the new arrangements for monetary control were published on 5 August 1981 in a Treasury press notice, the relevant section read as follows:

"The Bank will cease to post a continuous Minimum Lending Rate from 20 August, as this would be inconsistent with the objective of the new arrangements to give the market more influence over the structure of interest rates. The option"— *[Interruption.]* Hon. Members should be patient. I continue:

"The option will, however, be retained for use in some circumstances of announcing in advance the minimum rate which for a short period ahead the Bank would apply to any lending to the market."

That is precisely what happened today. It was my decision on the advice of the Governor of the Bank of England.

Finally, I should say that several factors have been at play here, one of which is uncertainty about oil prices. Another is the sharp rise of the dollar against other currencies. A third factor has been doubts about the Government's resolve to persist with their counter-inflationary policy in the light of the continued pleas for still higher public borrowing and expenditure. The Government's decision today demonstrates that those siren voices cannot be listened to if inflation is to be brought under control. That is the purpose of our action.

Mr. Terence Higgins (Worthing): Is it not essential to consider recent events in an international context? Does my right hon. Friend agree that the high rate of the dollar has been a fundamental aspect of the problem? Given that that is so, will he make renewed representations to the United States Administration on the need to reduce the American deficit and interest rates?

Mr. Lawson: My right hon. Friend is right. That is the view not only of him, myself and the Government, but of most European Governments. As my right hon. Friend is aware, I shall be flying to Washington the day after tomorrow — *[Laughter]* — for a discussion with the American Treasury Secretary and other finance Ministers. These matters will be very much under discussion.

Mr. Richard Wainwright (Colne Valley): To avoid further damage, will the Chancellor try to reverse the clear impression that he has given to foreign exchange operators in recent weeks that he has been relying on the weakness of the pound against the dollar in respect of our North sea oil earnings in order to make partisan measures in his forthcoming Budget? Will he make it clear at last that he has no intention of using adventitious and possibly short-term exchange positions to make long-term Budget decisions?

Mr. Lawson: I have given no indications of the kind that the hon. Gentleman is referring to.

Mr. David Howell (Guildford): As the main influences on sterling—the strong dollar and the oil price—are largely outside the Government's control, and as the outlook for inflation is very good, can we assume that the hike in interests rates will be relatively short-lived? Would the situation be rather smoother in the future if we now joined the European monetary system as a full member?

Mr. Lawson: On my right hon. Friend's first question, interest rates will obviously remain at this level for no longer than is necessary to secure proper monetary control, proper monetary conditions and a continuation of our success against inflation. They will have to continue just as long as is necessary to achieve that.

The question of full membership of the European monetary system is continually under review, but that is a financial discipline of its own kind, which requires the use of interest rates whenever necessary to maintain a particular parity.

Mr. Robert Sheldon (Ashton-under-Lyne): Why is it that, three years after abandoning minimum lending rate, the Chancellor is returning to it? Is it because a clear signal was required that the Government have an interest rate and exchange rate policy? Does not that show up the irrelevance of the Government's money supply policies?

Mr. Lawson: Not at all. As I showed with my quotation from the press notice issued when the new arrangements were set in place in 1981, this was deliberately retained for use in circumstances where it was necessary for a clear signal to be given of the Government's policy and resolve. That has been given. We will return immediately to arrangements that do not involve the posting of a particular minimum lending rate.

Mr. Peter Hordern (Horsham): Since the new level of interest rates must, at least in part, reflect the expansion of credit on the broad measurement, does my right hon. Friend still think it appropriate that there should be £1·5 billion available for the reduction of taxation in the Budget?

Mr. Lawson: I have as yet no reason to depart from the indication that I gave at the time of the autumn statement in November, but, of course, I shall be reviewing it, as I said at the time, before the Budget and it would be very unwise to assume that that amount of tax reductions can necessarily be given. But these matters will have to be reviewed at the time of the Budget and I think that there is no point in speculating about that now.

Mr. J. Enoch Powell (South Down): Does the Chancellor of the Exchequer agree that, provided that the Government can fund their borrowing requirement and meet their sight liabilities, which are their first obligation, nothing but benefit can accrue to the economy and to the unemployed from the prospect of a fall in oil prices and the associated fall in the exchange rate of sterling?

Mr. Lawson *rose*——

Hon. Members: In theory, yes.

Mr. Lawson: I have always understood that it was part of the right hon. Gentleman's credo not to express particular views about the desirability of particular price levels for any particular commodities—that goes for oil as well. I believe that disruptive movements in either direction are harmful to the world economy and to the United Kingdom economy.

Mr. Nigel Forman (Carshalton and Wallington): Do not the events of the past few days show that it was always possible and right for the Government to take account of movements in exchange rates in deciding their financial policy, but that, equally, it is not sensible to isolate one target as the benchmark, be it the public sector borrowing requirement, the exchange rate or any other shibboleth?

Mr. Lawson: My hon. Friend is correct, in the sense that a number of indicators of monetary conditions have to be used in assessing the conditions appropriate for a continued decline in inflation and a continued economic recovery of the kind that we are enjoying and will continue to enjoy. Indeed, that recovery compares far better against the performance of the rest of the world, and particularly of the rest of the countries of the European Community, than was the case when the Labour Government were in office.

Mr. Alfred Morris (Manchester, Wythenshawe): What does the Chancellor expect the effect of these higher interest rates to be on the level of unemployment?

Mr. Lawson: The one thing that would really cause a sharp increase in the level of unemployment would be a resurgence of inflation, which is precisely what would follow from the policies advocated by Opposition Members and which is precisely what we are determined not to indulge in.

Mr. John Townend (Bridlington): What influence has the miners' strike had on the recent fall in the value of sterling? Does not my right hon. Friend agree that there are underlying factors that justify a higher level of sterling, such as a balance of payments surplus and a low rate of inflation?

Mr. Lawson: As the House knows, one of the problems that we face is that public borrowing this year is running ahead of what we had planned, partly because of the cost of the coal strike but partly for other reasons. But this only reinforces our resolve to keep public expenditure firmly under control. With regard to my hon. Friend's second question, there are indeed several very positive factors, and such fluctuations in the market place do tend to be excessive from time to time.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my right hon. Friend accept that most of us would agree that he was quite right not to throw reserves at the sterling rate, a practice which proved so disastrous in 1973-74? Bearing that in mind, does he accept that some of us are disappointed at this departure from the free market economy and free market exchange workings? If my right hon. Friend is right, and this is meant to be only a short-term move in interest rates, will he—as we have already made a dent in the free market — ask the building societies not to take any precipitate action to increase the cost of house borrowing for at least a month?

Mr. Lawson: Of course, the level of mortgage rates is a matter for the building societies and not for me, but I am sure that they will have heard what my hon. Friend has said.

Mr. Ian Wrigglesworth (Stockton, South): Is not the truth of the matter that the panic measures that the Government have had to take today are a direct consequence of the complacency and contradictory statements that we have heard in recent times from Government Departments? Can the Chancellor explain why, in recent days, different briefings have emanated from No. 10 Downing street and the Treasury? Will he confirm that his statement and the action taken by his Department today is supported by the Prime Minister?

Mr. Lawson: Of course, the measure that I have announced today is part of a policy that is the policy of the entire Government. I have read some of the stories that have appeared in the newspapers with both amazement and dismay, but I do not think that this is the first time that Governments have had that experience when reading newspaper stories.

Mr. Patrick McNair-Wilson (New Forest): May I warmly congratulate my right hon. Friend on his firm action today? A strong and internationally respected currency is an essential weapon in the fight against inflation. However, as oil prices are a significant factor in achieving that goal, will he ensure that the British National Oil Corporation does not take unilateral action which could affect prices so that it could be regarded as an unfriendly act by other producers and so lead to an oil price war?

Mr. Lawson: I am grateful to my hon. Friend for his opening remarks. The second part of his question is not

[Mr. Lawson]

strictly speaking a matter for me. But it is the Government's policy — which has been pursued for many years and which was, I believe, held by the previous Government—that United Kingdom oil prices should be in line with the market and that there should not be artificial prices. Nevertheless, I think that BNOC realises that it has a duty to conduct its day-to-day policy in a way that causes as little political or economic disruption as possible.

Mr. Gordon Brown (Dunfermline, East): Will the Chancellor stop blaming everyone but himself? Does he not recall that on 29 July 1980 the Prime Minister told the House that the pound was high and strengthening, because

"investors overseas believe that our economic policies are right, that they will succeed, and that under a Tory Government Britain is worth investing in."—[*Official Report*, 29 July 1980; Vol. 989, c. 1305.]

Now that the pound is half as high, what does the Chancellor think is the markets' verdict on his Government's economic failure?

Mr. Lawson: If we are going to talk about quotations, I was interested to read—[HON. MEMBERS: "Answer the question."] I have already answered the question. As the House knows well, there are basically three factors affecting the exchange rate at the present time. There is the oil price weakening, the strength of the dollar against all currencies, not just against sterling, and the doubts about whether monetary conditions are fully consistent with a lower rate of inflation and, indeed, whether public expenditure may not be running excessively high. I emphasise the last point in particular. There is no way in which we can consistently be getting inflation down with scope for increases in public expenditure or increases in public borrowing. I think that that must be fully understood.

I have a quotation from the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) at the Aneurin Bevan lecture on 13 October 1984—about three months ago. He said:

"Of course, we need an exchange rate which encourages exports rather than assists imports. And some adjustment in the value of sterling may therefore be necessary—at least against the weighted average of currencies."

As there has been a reduction since then of 6 per cent., is that adjustment bigger or smaller than the adjustment that he sought?

Mr. Robert McCrindle (Brentwood and Ongar): Is it not about time that we told our American allies that their continued failure to deal with the strength of the dollar is an unfriendly act which makes a mockery of economic interdependence? Will the Chancellor give an undertaking to the House that when he meets the new American Secretary of the Treasury later this week he will underline the fact that that feeling is widespread in the British Parliament?

Mr. Lawson: I am grateful to my hon. Friend. Certainly, I think that I shall be underlining, as others will underline, the need for the United States to take measures to reduce its budget deficit.

Mr. Gordon Wilson (Dundee, East): If, as is manifest, the pound has slumped against the dollar partly because of a mild softening in world oil prices, what steps does the Chancellor intend to take in the longer-term to deal with the crisis which is already on the horizon — that declining oil production will reveal to the world the disastrous state of the United Kingdom balance of payments?

Mr. Lawson: Oil production in this country is going to be very substantial for many years to come. I think that it is foolish of the hon. Member for Dundee, East (Mr. Wilson) to assume that it will suddenly disappear. It will be a major factor in our economy for many years to come.

Mr. Roger Freeman (Kettering): Is my right hon. Friend aware that on this side of the House his move is seen as both inevitable and correct? When my right hon. Friend goes to the United States in two days time, will he draw the attention of Mr. Baker, the new Secretary of the Treasury, to the fact that it is in the best interests of the United States itself that the inevitable continuing rise of the dollar is halted, so that international trade, particularly between western Europe and the United States, is carried out on a more even keel?

Mr. Lawson: Sooner or later, I believe, the value of the dollar in the foreign exchange markets will decline, but it is impossible to say when that will occur. One of the problems about much of the criticism from Opposition Members is that they find it impossible to understand the nature of the markets and the fact that we have to conduct our policies within a context of markets which are often wayward and unpredictable.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind the House that this is a private notice question and an extension of Question Time. There is an important debate tomorrow on the reduction of unemployment through public investment. Although the motion is not yet on the Order Paper, I have no doubt that hon. Members will be able to allude to this matter in that debate.

WELSH AFFAIRS

Ordered,

That the matter of Regional Policy as it affects Wales, being a matter relating exclusively to Wales, be referred to the Welsh Grand Committee for its consideration.—*[Mr. Biffen.]*

Orders of the Day

Trustee Savings Banks Bill

Order for Second Reading read.

4 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): I beg to move, That the Bill be now read a Second time.

May I begin by drawing the attention of the House to the White Paper—*[Interruption.]*

Mr. Speaker: Order. Will those hon. Members who are not remaining for the debate please leave the Chamber quietly?

Mr. Stewart: May I draw to the attention of the House the White Paper which was published on 18 December 1984, which sets out the proposals for reorganising the trustee savings banks? That White Paper, which is the background to this Second Reading debate, contains a background to and history of the trustee savings bank movement and to the legislative arrangements which have applied to the trustee savings banks over many years. It also sets out the recent developments in the trustee savings banks leading up to the Bill and the further proposals which are described in the White Paper in the form of a letter from Sir John Read, the chairman of the central board of the trustee savings banks. That describes in particular the elements of the proposals which are not contained in the Bill.

Other documents which hon. Members may find relevant to the subject are available in the Library. They are the Treasury press notice of 18 December, a press notice of the same date by the trustee savings banks central board, the TSB group report for 1983, and the draft memorandum and articles of association of the TSB Group plc, as it is intended to be. That last item is optional reading, even for enthusiasts.

Mr. Jim Craigen (Glasgow, Maryhill): There is usually a period after the publication of a White Paper when the public have time to digest its contents. Is it not a bit of an irrelevance to publish a White Paper when the Bill is introduced so quickly thereafter? Has the pushing forward of the Bill anything to do with the difficulties that the Government are running into over the privatisation of British Airways?

Mr. Stewart: The Government published the White Paper on the same day to explain the background to the Bill and to set out the matters that I have just described. I should have thought that that would have been helpful not only to hon. Members but also to those outside who take an interest in the proposals. The proposals themselves have been known in general outline for a couple of years or more. It is convenient for the House to have before it the way in which the Bill is formulated and the other matters which Sir John Read describes, and the White Paper fulfils that function.

The Bill deals with only those parts of the proposals which are the responsibility of Government. The trustee savings banks themselves are primarily responsible for the arrangements about their own future. In particular, they have direct and immediate responsibility for the reorganisation for the companies and bodies within the group to which the Bill refers. The production of the Bill and the bringing forward of the proposals is the consequence of a long period of discussion, including close consultation between the Government and the trustee savings banks.

The second paragraph of Sir John Read's letter in the White Paper says:

"I confirm that you have the full support of the TSB Group in promoting this Bill. In August 1982, after lengthy and very careful consideration of the options, both by the Treasury and within the TSB Group, I announced that the TSB Group wished to reorganise into a Companies Act structure and to acquire additional capital and a wide pattern of ownership by issuing shares to the public. As the main purpose of the Bill is to permit the TSBs to take these steps, we naturally welcome it."

As I said when the Bill was published, I am glad that it has proved possible to introduce it into Parliament during this Session. That enables us to complete the statutory arrangements for enabling Trustee savings banks to obtain full private sector status without delay. I am anxious that they should be in a position to realise their potential and to play a full part in the development of the banking sector. That will increase competition and consumer choice in retail banking at an important stage in the evolution of financial markets.

Mr. Gordon Wilson (Dundee, East): The Minister will be well aware of the report of the Monopolies and Mergers Commission on the Royal Bank of Scotland which sets out the desirability of the Scottish banking sector being retained with its full integrity and autonomy. As I read the Bill and the White Paper, the autonomous trustee savings banks in Scotland will be subsumed into a new company, the TSB Group, which will have overall authority. The TSB in Scotland has had a much larger and more important role to play than the TSB in England and Wales, as I think the Minister will agree. As a result, we shall see the bank disappearing and the overall effect will be a diminution in the Scottish investment sector and the control of investment operations within Scotland. Would not that be a bad thing, given the overweening centralisation of the British economy and financial sector in London?

Mr. Stewart: Under the existing structure with the central board, there is already a good deal of centralisation and co-operation between the individual trustee savings banks. As I understand it, there is unlikely to be any diminution of that after the reorganisation. The structural changes are needed for other reasons. If the hon. Gentleman is worried about that point, I hope that he will consult the trustee savings banks.

I visited the TSB in Scotland a few months ago and I was impressed by what I saw. In no sense did I get the feeling that the Scottish indentity or the bank's independence was thought to be in any sort of jeopardy as a result of the proposals. I certainly do not believe that to be the case. Indeed, the savings bank movement originated, like many good things in the financial sector, in Scotland. I recognise that after reorganisation the TSB will want and need to retain a substantial measure of its identity. But the proposals that we are considering today are the culmination of a process in which the trustee savings banks themselves have recognised that more co-operation and communication between them is needed. Therefore, it is partly their own banking needs which have led to the present proposals.

Mr. Wilson: The Minister gave an assurance that there would be no diminution in the level of centralisation

[Mr. Wilson]

compared with the previous structure, which I did not entirely welcome and which was not exactly what I had in mind in seeking that assurance. Does he recognise that there is a difference between co-operation, which can be desirable, especially in the confederal arrangement which existed before, and one company, one integrated shareholding, where the majority of the shareholders throughout the United Kingdom will have the right to take investment decisions which could result in the dismantling of the trustee savings banks in Scotland in five to 20 years' time as a result of a change of policy?

Therefore, will he consider building into the Bill something along the lines of that which has been given to the TSB in the Channel Islands, where there is to be a separate shareholding which will safeguard some of the autonomy of the TSB there? It is important that there should be something in the Bill to safeguard the Scottish situation.

Mr. Stewart: I hesitate to be drawn into a long debate on that question at this stage. I shall be interested to hear what the hon. Gentleman says in his speech. Having listened carefully to his intervention, I think it might be helpful if I covered the remaining aspects with which I wish to deal, and, by leave, I shall reply at the end of the debate to the points that hon. Members make.

This legislation will also pave the way for the ownership of the TSBs to be established in the hands of the shareholders of the new group, with priority for those who, as depositors and staff, have contributed to the success of the TSBs. I welcome the opportunity that this will provide for spreading share ownership more widely and, in particular, for enabling those who have been involved in the business of the TSBs as customers and employees to invest directly in their future.

The Bill will enable the TSBs to reorganise on to the same basis as the major banks with which they compete in the high streets. The Bill is required to transfer the business of the existing TSBs into the new bodies being set up under the Companies Act framework and to make provision for a number of other specific aspects of the transition. I shall comment shortly on the provisions of the Bill.

Many of the proposals for the future of the TSB group do not require legislation. These are the responsibility of the TSBs and their central board, though the Government have been involved in the discussion of the overall strategy. The hon. Member for Dundee, East (Mr. Wilson), may be aware that on a number of aspects of these proposals it is for the TSBs, rather than for me, to respond.

I do not propose to give, and I cannot give, assurances about the internal arrangements of the TSB group. However, I can emphasise that the arrangements which are permitted by the Bill and which the Bill empowers the TSBs to carry through have been discussed between the TSBs and the Government and are agreed by the management of the TSBs to be in the TSB interest.

Sir John Osborn (Sheffield, Hallam): While welcoming the Bill and my hon. Friend's remarks, may I ask if he is aware that some of us with an interest in the TSB and small banks generally believe that one of their great assets is that they have brought in the small saver? Has my hon. Friend had an assurance that the strong character of the TSB will continue, bearing in mind that it will be competing with building societies and other banks?

Mr. Stewart: I recognise the contribution which my hon. Friend and many other hon. Members have made to the TSB movement and the interest which they take in it. I share his concern that the TSBs should maintain their provision for the small saver and their local connections, and everything that I have heard in the discussions leading up to the introduction of the Bill convinces me that that is still the intention and purpose of those concerned with the TSBs, and I welcome that fact.

As soon as the proposed reorganisation is complete, the new TSB banking companies will apply for authorisation under the Banking Act, and the special arrangements for the supervision of the TSBs by the Treasury and other provisions in the Trustee Savings Banks Act which at present apply to the TSBs will come to an end. The new TSB banking companies will then have the same legal status as any Companies Act company and will be subject to the same legal and prudential requirements as other major banks in the United Kingdom.

It will be clear that the Bill is a technical document. Clause 1 sets out the definitions on which the rest of the Bill is based. The existing TSB group consists of the four existing trustee savings banks, the TSB central board and the subsidiary companies which they already own through Trustee Savings Banks (Holdings) Ltd., which is described as "the existing holding company."

The new TSB group will consist of the new holding company, in which shares are to be issued to the public, and its subsidiaries — that is, the new TSB banking companies and the specialist companies, which are identified in this context in the family trees on page 7 of the White Paper. The new holding company will be called TSB Group plc, although the Bill does not refer to it by name.

Mr. Craigen: As the term "trustee" has a particular meaning, are we to take it that the bank will be "TSB" and will not be "Trustee Savings bank"?

Mr. Stewart: The hon. Gentleman was good enough to give me notice that he would raise that question. The last page of the White Paper contains a reference to that in paragraph 13 by Sir John Read:

"We intend for continuity purposes to retain 'Trustee Savings Bank' in the full legal title of the new banking subsidiaries."

I understand that there is no objection to the use of that word in this context, although it is a matter for the Department of Trade and Industry in relation to company names. I gather that there is no difficulty in the use of the word or in the use of the word "trust", which is frequently used in banking matters and for companies of that kind.

Clause 2 deals with the central board established by the Trustee Savings Banks Act 1976, on the Standing Committee on which I served. The central board will need to undertake a wide range of operations during the reorganisation and is therefore given additional powers as necessary for that purpose. Once the reorganisation is complete, the central board becomes redundant; therefore the Treasury is given power to bring the existence of the central board to an end.

Clause 3 is the central provision. It vests the business of the various bodies which comprise the existing TSB group into the appropriate parts of the new TSB group.

The central board holds a number of assets, liabilities and obligations, and these will be transferred to the new group holding company. The Bill transfers the business of each of the existing TSBs to the appropriate new banking company which is to replace it. Each of these companies will be a subsidiary of the holding company. The clause makes it clear that contracts of employment are not affected, so that employees will enjoy exactly the same terms of employment after the reorganisation as before.

Clause 4 deals with the running down and eventual dissolution of the existing TSBs, which will be no more than shells once their business has been transferred to the new TSB banking companies. It provides for the trustees to vacate office once any outstanding accounts have been drawn up, and empowers the Treasury to dissolve the TSBs by order. The Trustee Savings Bank Act 1981, which consolidated earlier legislation, will also become redundant. The Treasury is empowered to repeal that Act by order, subject to transitional and saving provisions as appropriate.

Clause 5, with schedule 2, contains a number of tax provisions the purpose of which is to ensure that the TSBs do not suffer adverse tax consequences in the reorganisation which would not have applied in a reorganisation involving bodies all of which came under the Companies Act.

Clause 6 follows the tradition of earlier TSB legislation in providing for the remaining members of a class of savings bank which was established under an Act of 1819 dealing with savings banks in Scotland. These banks are not trustee savings banks, although up to now they could convert into TSB status if they wished. At present there are two such banks, one of which has announced its intention to merge with a major Scottish commercial bank at the end of this month. When the Bill is enacted, these provisions will therefore apply to the one remaining member of the class, the Airdrie savings bank, which has a number of branches in the Glasgow area.

The effect of this clause, with schedule 3, is to rectify an error in the Banking Act 1979, an Act prepared by a Labour Government, though I accept that the omission was inadvertent. The Banking Act was drawn up in terms which precluded the 1819 savings banks from seeking authorisation from the Bank of England to take deposits.

Mr. Robert Sheldon (Ashton-under-Lyne): Apart from a reference to the Monopolies and Mergers Commission, what is to prevent another clearing bank from taking over the TSB?

Mr. Stewart: In the immediate future, the structure prevents that. As the right hon. Gentleman will know from the White Paper and from information provided by the TSB, it is the intention, after the Bill is enacted, to issue shares which would be in the ownership of the TSBs in future. It is intended also—this is a matter for the TSB movement rather than for the Government—that for the first five years after it has become a private sector group there should be a limit on a shareholding by any one shareholder of 5 per cent. of the capital, and thereafter a limit of 15 per cent. It will be many years hence before the issue will arise whether the TSBs might be taken over by any other group.

Dr. Oonagh McDonald (Thurrock): The Minister has stated the position as it is set out in the memorandum that accompanies the White Paper and the Bill, but that is not written into the Bill. The Bill does not lay down any provisions that would prevent a takeover of the sort that my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) has postulated.

Mr. Stewart: The hon. Lady is right to say that the Bill does not contain any such provisions. We are dealing with the intentions of the TSBs, and I think it proper that they should deal with their own affairs without the involvement of the Government.

Apart from dealing with the commencement and repeals in the usual way, clause 7 provides that the Bill will have direct effect on the Channel Islands and the Isle of Man. The island authorities involved have agreed that it is in everyone's interest that the reorganisation should proceed on the same basis and at the same time throughout the British Isles, even though in a number of respects the Bill contains matters which would normally be the subject of separate legislation on the islands, or at least an extension to the islands at the option of the local legislatures. I thank the island authorities for agreeing to this procedure. I readily acknowledge that the special circumstances which follow the pattern of earlier TSB Acts do not constitute a precedent detrimental to the constitutional position of the islands.

I shall mention briefly one or two matters that have been raised in public discussion of these proposals since their introduction. After a long and distinguished history as banks encouraging thrift and savings but with few other functions, the TSBs found it increasingly difficult to compete in the market place during the 1950s, 1960s and 1970s. The committee which was established in 1971 under Sir Harry Page was invited to consider the future of the TSBs and it recommended the development of their banking services. That was followed by the 1976 Act, which was introduced by the then Labour Government. That measure created the central board and permitted the TSBs to undertake new activities.

Mr. Robert Sheldon: The Page report suggested that there should be a third force. The first force consisted of the clearers and the second of the National Giro. The third force was the trustee savings banks, which would look after the local community and concentrate on small savers. I reaffirmed that from the same position which the hon. Gentleman now occupies. What has changed since then? What has happened to the third force?

Mr. Stewart: The third force can take different shapes at different times. The trustee savings banks were enabled by the Labour Government of which the right hon. Gentleman was a member—this process is being taken further forward by the present Administration — to develop in the way they thought best in their own interests.

The background and the financial markets have changed a great deal since the early 1970s and so have the services that are expected by customers of different types of banks. Sir John Read comments in his letter to the Chancellor of the Exchequer in the White Paper:

> "The TSB group today is radically different from the TSB movement of ten years ago and has shown that it is fully capable of competing with other financial institutions in a fast-changing environment."

The way in which the TSB movement has been able to adapt itself and to develop its business is impressive. At the same time, it has retained many of the important traditional characteristics of a movement that concentrated on small savers and local communities.

Mr. Craigen: How will the introduction of shareholders looking for dividends help the average customer of the TSB?

Mr. Stewart: The proposed public issue of shares will complete the transition of the TSBs to a fully-fledged status in the private sector. That will assist all those who have anything to do with the movement by giving them access to capital markets and the accountability which presently is lacking. The public issue will be made possible by the Bill, but that will not be a matter for the Government. Dividend policy and future profitability will be matters for the TSBs. Surely a body of interested shareholders, particularly one that includes depositors and the staff, which will have priority when the issue is made —I hope that members of the staff will take up the shares on a substantial scale—will be the best way of ensuring an identity of interests between depositors and the staff of the banks which has been the strength of the movement in the past.

Sir Geoffrey Finsberg (Hampstead and Highgate): Does my hon. Friend agree that the important point, which was missed by the interventions of the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) and the hon. Member for Glasgow, Maryhill (Mr. Craigen), is that the TSB movement comprises local people in almost every town and village in the country, and that their initiative has led to the Bill's introduction? They are the people who want it and they are the depositors. That is why things have changed from 1971. As the Chairman of the Public Accounts Committee — the right hon. Member for Ashton-under-Lyne — will recall, I was a strong supporter of the Page report when I was an occupant of the Opposition Benches. However, things have moved on since then, and so has the TSB movement.

Mr. Stewart: My hon. Friend has summed up the position extremely well. I emphasise yet again that the Government are introducing a Bill that enables the TSBs to do what they want to do. Surely that should be welcomed on both sides of the House. The TSBs have made a great deal of progress in the past 10 or 15 years. Indeed, they have made good progress since the 1976 Act, which was another helpful stage in their development. I compliment Sir John Read and the members of the central board, the management and the staff of the TSBs centrally and at individual banks on the way in which they have responded to the challenge of major changes and on the progress which the movement has made since its legislative basis was altered a few years ago.

An issue which has been raised on many occasions is the ownership of the trustee savings banks. It has been said that the Bill is a privatisation measure but it is not what is generally understood to be a privatisation measure, which is a disposal by the Government. The Government do not own the TSBs. The money raised by the share issue will go to the banks and enable them to develop for the future. In that respect, the Bill is fundamentally different from privatisation measures. I suppose that it is a privatisation measure in the sense that it takes the TSBs into full and orthodox private sector status, but it takes them from a form of no man's land in which ownership is not established and not from the public sector.

The TSBs are not owned by their employees or depositors. Nor are they owned by the trustees or the Government. Unlike building societies, they have no shareholders. Ownership is one of the issues which it is incumbent on a Government and Parliament to resolve.

Sir John Osborn: Can the TSBs handle this without the backing of legislation to limit shareholding to 5 per cent. in the early years and 15 per cent. later? To what extent will those shares be freely exchangeable? In about 10 years' time, will I as a member of the public be able to buy some shares or will there be severe restrictions? How will this be handled?

Mr. Stewart: I hope that my hon. Friend can buy shares at any time in the future after the issue takes place. I do not know how substantial my hon. Friend's resources are, but if he wished to buy more than 15 per cent. of the TSB group he might find some obstacles in his way. Provisions for dealing with this aspect will be incorporated in the memorandum and articles of the company. The provisions will operate in that sense and not by legislation. They will, of course, be subject to the ordinary provisions of company law.

The Bill is designed to end the statutory relationship of the TSBs in a special position with Government and Parliament. The Government and Parliament are responsible for resolving the questions of ownership, supervision and taxation involved in the reorganisation, the repeal of earlier legislation, and so on. The TSBs will have the responsibility for carrying out the changes. The Bill and the proposed reorganisation that will follow mark the end of an era. The trustee savings banks will cease to have a unique and an anomalous—in today's world—form of constitution. This Bill will, therefore, be the last in a long line of Bills dealing with the trustee savings banks.

I am glad that the Bill removes many of the restrictions on the TSBs' freedom of action which have constrained their progress. I am sure that the proposals we are putting to Parliament are in the interests not only of the TSBs but of their customers and their employees, and I hope that the proposals will be warmly welcomed. The TSB movement has a long history and a distinguished past. I am convinced that the TSBs have an important future. The Bill will enable them to take advantage of new opportunities, and I commend the legislation to the House.

4.32 pm

Dr. Oonagh McDonald (Thurrock): The Economic Secretary has rightly said that the Bill is designed to end a series of changes in the trustee savings bank movement. The changes began in a serious way with the Page report, which was commissioned in 1971 and produced in 1973. The report led to the first Bill which, in 1976, radically changed the operations of the TSB.

The Economic Secretary rightly said that the trustee savings bank movement had had a long and distinguished history. The first savings bank was set up in 1810 in Ruthwell in Dumfriesshire. That bank and others of its kind were designed to encourage thrift among working class people. Some of the branches seemed to have an interesting history. One of the early branches formed in Edinburgh was brought into being by a local branch of the Society for the Suppression of Beggars. Those who set up the banks frequently expressed strong moral feelings. S. W. Nicholl in his "Summary View of Report and Evidence Relating to the Poorhouse 1818" said:

"In every new disciple of the Savings Bank I see at least two apostates from the Poor Rate and in 15 or 20 years there is no

reason to doubt that the inherent and progressive principle of the Savings Bank will have not only stopped the progress but will have entirely routed the influence of its antagonist the Parish Rate."

In the eyes of some of their instigators, the trustee banks were designed to encourage the poor not just to save but to save so that they would not be a burden on the rates. In some ways, one can see an early form of Thatcherism in the minds of some of those who were responsible for setting up the trustee savings bank movement. I do not mean to suggest that that was the only motive for setting up the banks; other people with philanthropic motives wanted to assist people in obtaining access to savings and the benefits that they could bring.

The banks have already changed considerably. Some of those changes might make the early founders turn in their graves. There are 2 million credit card holders among the 6 million customers, and that is some distance from the early notion of encouraging thrift. The changes in 1976 allowed the TSBs to operate full banking functions, including the ability to make loans to depositors, although those loans were restricted to members of the ordinary public and corporate loans were not encouraged. Since then, TSBs have developed deposit and credit services, cheque, savings and investment accounts and fixed term bonds. The TSB group offers insurance services and unit trusts through the TSB trust company. The TSBs operate credit cards, and the United Dominions Trust Ltd is an instalment credit and leasing company. Mortgage facilities have already become available.

As the Economic Secretary rightly pointed out, the further changes envisaged in the Bill do not amount to a privatisation measure. If this were a privatisation measure, the Opposition's attitude would differ. The Government do not own the trustee savings banks and, in spite of the doubts about the ownership, will not benefit from the proceeds of this sale. The Government's inevitable involvement is due to the history of the bank because it is under the supervision of the Treasury. The bank will now be transferred to the supervision of the Bank of England under the Banking Act 1979.

The questions dealt with by the Economic Secretary and in the White Paper make some of the issues a little clearer. The Page report referred to the ownership question. I understand that the members of the Page committee thought of raising that question when they were part of the way through their examination of the national savings movement. The Chief Registrar of Friendly Societies was asked to comment on who owned the bank. In paragraph 250 of the Page report he admitted that the statutory framework for the trustee savings bank

"left the true relationship between the depositor and his bank unclear. The wording of the Trustee Savings Banks Act 1969 indicated that the depositors were creditors of the bank, and therefore entitled, if the bank were wound up, to be repaid the full amount of their deposits plus the interest due. . . . On the other hand the Act, in providing for the use of trustees, did not make at all clear the extent to which, if any, the relationship between a depositor and a bank was also that of beneficiary and trustee."

The Page report then comments that if the banks are to be considered as mutual organisations without shareholders, the right interpretation would be for depositors to be entitled to the full value of the bank, which would almost certainly be more than the liability to repay deposits and accrued interest, unless there had been gross mismanagement.

Therefore, it is clear from the Page report that the chief registrar and members of the committee inclined towards the view that the depositors were the owners. Although this is denied in the White Paper in paragraph 4.02, the Government must either accept the principle that ownership lies with the depositors or, at least, strongly suspect that that might be the case. If ownership did not lie with the depositors, the Treasury would be only too glad to get its hands on the proceeds of the sale and to rush the sale through to ensure that there is money for tax cuts in the coming financial year.

The Economic Secretary glossed over the problems about ownership. In his reply he should make it clear, given the remarks in the Page report and the fact that the Treasury is not taking the proceeds of the sale, how the Government arrived at the view expressed in the White Paper that ownership plainly did not lie with the depositors of the TSB.

We accept the fact that the structure and ownership of the TSB is not wholly clear. Nevertheless, implicit in the Page report is the notion that the TSB is a mutual concern. How far did the discussions that took place with the TSB in 1982 and have taken place since, extend? As was clear from our discussions with the TSB and as the Economic Secretary said, the matter was fully discussed with the management of the bank. But given the strong remarks in the Page report and the fact that the depositors are at least possible or partial owners of the TSB, what consultation took place with the movement as a whole to decide its future organisation?

We accept that the form of the TSB should be clarified, but choices are available. We should reconsider the strength of the remarks in the Page report. Paragraph 263 states:

"The suggestion has been made that the trustee savings banks should be 'hived off' to the private sector as commercial concerns. If by this is meant that they should have shareholders and operate from the point of view of ownership like commercial banks we see such a solution as neither practicable nor desirable in principle. In evidence, the Committee of London Clearing Bankers put forward the argument that trustee savings banks represent unfair competition in that they are not required, as the nationalised industries are, to realise a 'proper rate' of return on capital employed. In effect, the argument put forward by the clearing banks amounts to saying that the principle of mutuality is inconsistent with free competition. But this is manifestly not true. The principle of mutuality operates in the vigorously competitive fields of insurance and building societies and indeed in certain unit trusts. It is in our view highly suited to the needs of financial institutions such as the trustee savings banks if they play a wider role in the provision of financial services. Thus, there is no need to choose between the extremes of direct central government control on the one hand and full private commercial ownership on the other. We see no reason why the trustee savings banks, as reorganised along the lines suggested in the recommendations set out below, should not exist as mutual organisations primarily in the private sector of the economy. The principle of mutuality means in effect that the profit that accrues to the banks is indirectly distributed in kind to the depositors through improvement in services and lower costs of service rather than distributed to equity shareholders. A set of mutual banks . . . seems to us an excellent way of providing a competitive service for the financial needs of the small saver and small depositor."

Given that the nature of the organisation needed clarification if the TSBs were to move ahead, they could nevertheless have moved forward in the form of mutual organisations.

At the time of the Banking Bill 1978 we envisaged that the TSB would continue to move towards the private sector, that that would be completed by the early 1980s

[Dr. Oonagh McDonald]

and that it would then be developed sufficiently to bring it within the supervisory system of the Banking Bill. That is what the then Minister said. Some of us might have preferred movement in other directions, such as towards the formation of a state bank, but that was not on the cards for the then Labour Government.

Sir Geoffrey Finsberg *rose——*

Dr. McDonald: I shall finish this point before I give way.

The TSB could have moved into the private sector in a mutual form. We envisaged the move into the private sector, but said nothing about the form at that stage. There is no reason why a mutual form of reorganisation should not be the form that the TSB now takes.

Sir Geoffrey Finsberg: The hon. Lady said that some hon. Members at that time might have wanted to move in a different direction, such as towards the formation of a state bank. Is that her view now?

Dr. McDonald: Given the present direction, we would not now envisage that future for the TSB. The existence of a state bank in some form is another matter. I was not referring specifically to the TSB when I made that point.

Perhaps in his reply the Minister will say something more about the reasons for rejecting mutuality. In our discussions with the TSB we understood that the main reason for rejecting mutuality as a method of development was the need for increased capital. The argument is that the public limited company form of development is essential to raise new capital. When we inquired what the reasons were for wishing to raise new capital, the TSB claimed that it was to improve the technology of the banks. They were among the first to introduce new technology and now need to make systems compatible with those of other banks because banks are being drawn into one network. The TSB wants to update technology, to introduce home banking and to extend the branch system, especially in the south, where it is not strongly represented.

Mr. Wilson: Will the hon. Lady accept that the Trustee Savings bank has been particularly strong in Scotland and northern England, where it originated? If it is to be the policy of the new unified board to concentrate in the south of England, it may mean that assets which have been utilised in the traditional areas for the requirements of small depositors may now be required elsewhere for industrial purposes. Areas in Scotland and the north of England could thereby be denuded of cash. Would not that be a very bad development for the areas which originally developed the TSB?

Dr. McDonald: The hon. Gentleman has made a point that I wish to deal with slightly later in my speech. At the moment I was wishing to explore the reasons for rejecting mutual organisation as the proposed mode of development of the TSB, but before I do so I should like to add one further point.

With the sale of shares, the TSB is generally expected to raise about £1 billion. Its assets are currently worth £700 million. I am sure that the Economic Secretary is aware that there is speculation not so much that the TSB will be taken over by another bank—such speculation occurred at an earlier date—as that the TSB might take over another bank. That was mentioned in the *Investors' Chronicle* in December. It is described as being in a strong position because, unlike some banks, it is not suffering from ill-considered overseas lending. But if it were to take over another bank—perhaps a subsidiary in Britain of a foreign bank, which is one form that the speculation takes — it could extend into overseas lending through a takeover of that kind.

In future, the Trustee Savings bank will be under the supervision of the Bank of England and not the Treasury. Can we have an assurance from the Economic Secretary that, if a takeover of the kind that I have just described takes place, the Bank of England will supervise it, and supervise the operations of the TSB and other banks with greater care than in the Johnson Matthey affair? It would be a pity if a bank which is currently in a strong position —and is described by all the financial commentators as such—were to fall into the trap of taking over another bank and thereby inherit a lot of difficulties for itself. We want an assurance from the Economic Secretary that in the future the Bank of England will more carefully supervise what banks are getting up to than it has in the past few months.

The Economic Secretary said that there is to be a limit on the shares held by any one shareholder—5 per cent. for the first five years and 15 per cent. thereafter. In interventions in his speech, it was said that those limits are to be found in the draft memorandum and in the future articles of the company. Indeed, they are set out in the letter which accompanied the White Paper. We do not consider that that is satisfactory. We see no reason why it should not be incorporated in the Bill, which is designed to facilitate the setting up of the central TSB Group plc, which will then be involved in the flotation of shares.

In the Bill, no date or time limit is set for flotation after the assets have been transferred to the TSB group. We understand that that will be brought about by a statutory instrument at some future date as a result of consultation between the Treasury and the TSB, but there is no time limit specified in the Bill, nor is there a limit in the Bill on the number of shares to be held by any one shareholder.

We fear that the nature of the bank could change very considerably as a result of the flotation of shares. At present, the TSB has 6 million customers, with 13 million accounts. It is roughly the same size as National Westminster and Barclays. The expectation is that depositors will have a pink priority form to enable them to purchase shares. The closing date for that — 17 December 1984—has already passed. Prior to that date there was a significant increase in the number of accounts, as financial commentators recommended that in order to get the valuable shares in TSB, people should open an account with TSB and thus be able to obtain a pink priority form.

Therefore, there is an unspecified number of new account holders. Persistent questioning on my part did not elicit the information that I should have liked to have. Obviously, people have been moving in and opening accounts, and they do not really form part of the TSB tradition.

I further discovered that 40 per cent. of the depositors could not possibly take up shares. Plainly, from the size of their accounts, they had not enough capital available. Obviously, they would not be allowed to borrow from the TSB in order to buy shares in it. Therefore, a large number of the traditional depositors will not be able to take up the

shareholding, whereas new depositors have come in simply with an eye to taking up the shareholding. There are, in addition, 25,000 members of staff who are qualified to buy shares.

The allocation of the shares is not dealt with in the Bill and, indeed, it is not mentioned in the letter to which I referred. I know that the TSB has that matter under consideration. We should like provision to be made in the Bill to enable more of the traditional depositors to take up shareholdings, and to give staff a specific right to a number of shares. In that way some of the traditions of the TSB could be preserved. That would be better than simply saying that depositors would have priority forms and that some shares would be allocated to the staff. If those provisions were made, as the bank changed from being some—but not very clear—form of mutual organisation to a public limited company, part of the traditions would be preserved. We should like the Bill to provide that staff have not only a right to buy a certain number of shares but a definite say in the running of the bank. However, those are matters for the Committee stage.

The Trustee Savings bank has specialised in personal services. Indeed, personal customers account for 95 per cent. of the customer base. One of the features of the bank has not only been its concentration in Scotland and the north of England but the fact that, whereas other banks have withdrawn branches because they found it extremely difficult to operate in certain areas, the TSB has maintained branches in, for example, certain council estates in tough areas of Glasgow where no other bank is prepared to stay. The TSB wants to move into the more lucrative banking areas of the south of England. We do not want it to do so at the cost of its depositors and customers who, as has been rightly said, have helped to build up the wealth of that bank in the past, a bank that is now on a par with the other four clearing banks in terms of size and of the value of its assets. We are concerned that in its move into the south of England, the TSB should not neglect those in Scotland and the north who have contributed to its wealth.

We are also concerned that in its desire to move into commercial lending, which is a small part of its business at the moment, the TSB does not neglect its involvement in local communities in the north and in Scotland. We do not want to see that bank building up other forms of admittedly profitable commercial traffic while jeopardising its commitment to personal customers. We would prefer it if the Bill ensured that that commitment to and involvement in local communities remained and, in our examination of the Bill in Committee, we shall do our best to ensure that those measures are built into the Bill.

5.1 pm

Mr. Eric Cockeram (Ludlow): I declare an interest, being a director and trustee of one of the regional TSBs since the 1960s, which has been a fascinating period while the TSBs have been developing.

I suppose that the seeds of the Bill were sown in 1971 when the then Chancellor of the Exchequer, now Lord Barber, recognised that the national savings movement needed bringing up to date. Much of it had not altered since 1945, at the end of the war, and that included much of the TSB movement. Therefore, the Page committee was set up. It was interesting that Sir Harry Page, the chairman, who tragically died two or three weeks ago, was a former treasurer of the city of Manchester. Other notable northerners, some from Liverpool, were on that committee, which was appropriate because the TSBs had their roots in the north of England and in Scotland.

The committee reported in 1973. If its conclusions could be summed up in one sentence, it would be to the effect that the national savings movement, including the TSBs, needed root and branch reform. A whole chapter was devoted to proposals about the TSBs. Shortly after that committee reported, we moved into the early months of 1974, when there was a general election, and the right hon. Member for Leeds, East (Mr. Healey) found himself Chancellor in the Labour Government. It was a tribute to him and to the common sense of the Labour Government at that time that they likewise accepted the reasoning behind the Page report and that, as its proposals were accepted in broad terms, this did not become a party political matter.

The TSBs proceeded to move more into the banking sector and away from national savings. They issued cheque books and in 1975 became members of the Bankers Clearing House to enable them to offer that facility. They offered personal loans in 1977, as well as overdrafts—two different things. Mortgages became available in 1979, as did commercial lending. The Trustcard came in as well.

It is significant that the TSBs have such a strong base throughout the country in the section of the public that, to use the jargon, used to be "unbanked", and that the Trustcard was an instant success. The TSB is now the second largest bank in the credit card business. Barclays is the largest and TSB is the second, followed by National Westminster, Lloyds and the troubled Midland, which collectively issued a card under one name. However, in pure banking terms the TSB is now No. 2 in the movement.

The TSB also acquired the United Dominions Trust, thereby being able to offer hire purchase and other facilities. It set up a trust company and has an insurance broking subsidiary. It has travelled a long way down the road to offering a full monetary and banking service to a section of the community which formerly, in broad terms, was unbanked. That is to be commended. The handling and retaining of cash in the home is not desirable these days. With modern computers and banking methods it is possible for all sections of the community to operate a bank account economically. The TSB has played a significant part in achieving that objective.

Therefore, in 10 years between 1973, when the Page committee reported, and 1983, the movement went a long way. It started off as little more than another arm of the national savings movement and a decade later it was virtually a full bank. That is a great tribute to the management of the bank, which has conducted that pretty substantial metamorphosis without any great traumas, carrying with it the good will of the customers and the staff, who had not been brought up in the banking world.

The TSB now has £8 billion in deposits, 6 million customers and 13 million accounts. It is a formidable organisation. Its reserves are in the region of £700 million and when, I hope, the Bill is passed, and after the public issue, its reserves will be over £1,000 million—no small organisation to have grown from what was little more than a part of the national savings movement.

As chairman of the all-party TSB group, I should like to comment—I am sure that other hon. Members share or have expressed this view—that there was a Bill concerning the TSB in 1976, another in 1978 and yet

[Mr. Eric Cockeram]

another in 1981. There is now a fourth in 1985. There are not many organisations — except perhaps British Rail, which seems to have a Bill every year—that have had four Bills in nine years. I think that that has been due in no small part to the lack of clarity of thought in the early days after the issue of the Page report about where the TSBs were going; but, happily, in more recent years, since Sir John Read took over as chairman and formed a management team including several people who came from the non-TSB world and who brought in fresh minds and thinking, there has been an acceleration of clarity of thought so that people now know exactly where they need to go and are setting off down the road of the decision —which I believe is fundamental—that the TSB should be a company with limited liability. That has many advantages. It not only clarifies the problem of ownership which, as the hon. Member for Thurrock (Mr. McDonald) said, was one of the issues on which there was considerable doubt in the past — that doubt must be resolved one way or another—but enables the bank to raise fresh capital by the issue of shares, as is intended, following the enactment of the measure, and on a future occasion, should the need arise and should it be desirable, to raise further capital.

It is abundantly clear that anyone in the banking world today must have access to further capital at short notice, if required, as the National Westminster became sharply aware in 1975 when its shares fell to 88p and it was necessary to raise capital very quickly when the shares rose above par again. I am sure that the currently much-troubled Midland wishes that it could raise further capital now. It is essential that the TSBs have that long-stop facility. It may also be needed for highly desirable objectives, such as further expansion and additional facilities for customers. The Bill points the way ahead so that we may now wrap up the conclusions of the Page report in relation to the TSBs.

The purpose of the Bill is fivefold. First, it completes the change from a national savings organisation to a bank offering full financial services to its very wide spread of customers, the bulk of whom are in the north of England and in Scotland.

Secondly, the Bill provides a constitutional framework and removes the ambiguity of ownership which has existed so far.

Thirdly—I hope that my hon. Friend the Economic Secretary will not mind my saying this — the Bill removes the TSBs from the shackles of the Treasury and puts them under the Bank of England. That is desirable for a number of reasons, not least because, if the new TSBs are to compete with other private banks, they should share the same umbrella and regulation.

Fourthly, the Bill will strengthen the TSBs' reserves and allow further capital to be raised. As has already been pointed out, it is not a privatisation measure at all.

Fifthly, it will establish very wide ownership of the TSBs. All staff who wish to become shareholders have been assured that they will be able to do so. One hopes that the same will apply to customers wishing to become shareholders.

Those who ask what is so desirable about having shareholders and why the TSBs should not continue as a mutual organisation should consider the history of the matter. Not putting too fine a point on it, it must be admitted that in the 1950s and 1960s the TSBs were in something of a rut. That was one of the reasons why the Page committee was set up. At that time there was no profit incentive and no incentive for management to expand and modernise. I believe that the very existence of shareholders will prove to be in the interests of depositors, as it has been in the case of the other clearing banks. I am by no means convinced that mutuality achieves that objective. In passing, I might whisper in the ear of my hon. Friend the Economic Secretary that the same might well apply to building societies, although that does not arise under the Bill.

For all those reasons, I support the objectives of the Bill, although, like many hon. Members, I shall wish to examine it carefully in Committee. I believe that the Bill is desirable in the interests not only of the staff and customers of the TSBs but of the nation as a whole. The number of clearing banks has fallen to four in recent yars. I believe that the establishment of a fifth is economically desirable for the purposes of the country as a whole. I wish the TSBs well in the future and look forward to the early enactment of this legislation.

5.14 pm

Mr. Robert Sheldon (Ashton-under-Lyne): The hon. Member for Ludlow (Mr. Cockeram), with whom I have had the pleasure and privilege of working on a number of occasions in the Public Accounts Committee, rightly pointed out the importance of local interests in the trustee savings banks. Time and again we come back to the question of how to retain that strong local interest, which has been the driving force of the TSB and which makes it so different from many other banking institutions. The hon. Gentleman was also right to emphasise the advantages that the TSB has brought to people who would otherwise be "unbanked". I agree, too, that management was somewhat restricted before the 1976 Act. Opportunities existed but were not being taken and the success of that legislation, which I had the privilege of piloting through the House, lay in opening up opportunities for effective management of the interests of the banks themselves as well as their depositors and customers.

A total of 13 million accounts means that we are dealing with a very wide spread of the banking population. Sir Harry Page was a great city treasurer for my home town of Manchester; he was a person of great repute and standing and I knew him well. When he produced his report I thought that he had the balance right and I was most enthusiastic about it. The history of the Trustee Savings bank derives from the long neglect of people who, in the 19th century, were regarded as having insufficient means to use banking services. In those days, the banks were regarded as existing to serve people with substantial amounts of money on which they could obtain substantial returns in interest. Various enthusiastic individuals felt that that neglect of working people must be remedied and organisations such as the Yorkshire Penny bank were set up to give ordinary working people a fair deal for the disposition of their money so that they could obtain a comparable return on their deposits. All this was before small savings possibilities became available through the Post Office. There was little further development for many years.

Following 1965, cheque accounts were introduced and the TSBs were freed from their historical restrictions. That

was the motive behind the Page report. The question was how to retain the enthusiasm and dedication that Page found while providing for the ability to expand and advance that is necessary in the modern banking world. I had a great deal of sympathy with the solution proposed by the Page report. It suggested that the TSB should be a third force, in addition to the clearing banks and the National Giro, both of which had a clear market for their activities, with clear distinctions between the different forces.

The 1976 Act sought to advance the opportunities of the TSBs by allowing them to undertake personal loans, overdrafts, credit card facilities, small business loans, mortgages and unit trust services. That legislation was highly successful and the idea of the third force remained intact. There was to be freedom from direct and detailed Government control, which had previously played a part in shackling the opportunities open to the TSBs, and the organisation of the units was to be strengthened on a regional basis. Some people were unhappy at the idea of a regional element being brought into the small, tight local organisation of the TSBs as a means of strengthening them. In the main, the problems were overcome, although some echoes of them still remain. There was to be a central authority from within the movement to provide a central direction.

That was the Page path—the establishment of the trustee savings banks as a mutually owned third force. As a result of the Bill, instead of a third force there will be two forces. There will be the clearing banks and National Giro, and inevitably the trustee savings banks will drift towards the clearing banks. When the Economic Secretary to the Treasury talked about the end of an era he said more than he had meant to say. I believe that there is a danger that the distinguished history of the TSBs will come to an end rather more quickly than anyone would wish.

My hon. Friend the Member for Thurrock (Dr. McDonald) rightly asked what discussions had been held, not with management—clearly the Bill is the result of discussions with management—but with customers. If the ownership of the banks is uncertain, the uncertainty must lie between the management and the customers. The most important discussions should have been held with the customers. I hope that the Minister will reply to my hon. Friend's questions.

I also ask the Economic Secretary about the ownership of the TSB. He said that—as we know from the letter that was part of the White Paper—no one is allowed to own more than 5 per cent. for five years or 15 per cent. afterwards. I asked the Economic Secretary what assurances there would be on that point. He was unable to give me an assurance. That stipulation will not form part of the legislation. It will appear in the memorandum and articles of association. There is a world of difference between a promise made in the memorandum and articles of association and a provision with legislative force. All that is needed to change the memorandum and articles of association is an extraordinary general meeting. The procedure for changing legislation passed in the House is very different and much more rigorous. The memorandum and articles of association could be changed at any time —they are only promises—and that would mean the failure, collapse and demise of the third force.

The possibility of another body taking over the TSB after the memorandum and articles of association have been changed is not the only question. As my hon. Friend the Member for Thurrock pointed out, the TSB could take over other banks. That could occur not in the obvious way but by way of a reverse takeover. The TSB could take over a rather larger body and use its name and standing to do a reverse takeover, and that would be the end of any hopes for a third force.

That is all very sad. It is not what I expected when we started on this road eight years ago. I thought that we were bringing in more imagination and responsibility, and giving the managers of these splendid institutions powers that they would use to create strong local organisations that could play an increasingly important part in their communities.

Mr. Cockeram: The right hon. Gentleman comes from Manchester. He will recall the problems encountered by the District bank in trying to remain a local bank. Coming from Liverpool, I recall the problems faced by Martin's bank in trying to retain regional autonomy. The objectives outlined by the right hon. Gentleman may be desirable, but it has not proved possible to retain small regional banks. Especially since the advent of computers, there must be a national network. Has the right hon. Gentleman fully taken that point into account?

Mr. Sheldon: Yes, indeed. That was the most important aspect of the 1976 Act. The Act embodied an understanding of the need for some central organisation but allowed those operating in centres of population to retain their own ways of acting and to remain a part of the local community. I had hoped that that spirit would be retained, and I am sorry that we heard nothing from the Economic Secretary—who went into considerable detail — about the reasons for the failure to retain some element of it. A great opportunity has been lost and I view the Bill now before us with great regret.

5.24 pm

Sir Geoffrey Finsberg (Hampstead and Highgate): I, too, declare an interest. Since 1953 I have been either an honorary manager or a trustee of the trustee savings banks, and am now a director of its south-east region. I am also a depositor. That is an important point to which I shall return.

It is important to recognise how it has come about that we are discussing such a Bill. There is a long history. I remember being persuaded by a senior alderman in the borough which I live in and represent to join the committee of honorary managers of the local branch. Being a cautious person, I asked what I would have to do. I was told that my position would be much like that of the Paymaster General — I would sign away all my rights to sign cheques. My position would be an honorary one, but I would be expected to represent the bank to people in the locality, to persuade people that the bank was a good institution, and to work with the bank to try to increase the number of depositors.

In those days, vast sums of money were lent by the TSBs to the National Debt Office for a measly return. Over the years, the Treasury has made enormous profits out of the TSBs. If the TSBs had been allowed to lend their money on commercial terms, it would have generated very much more money for the TSBs themselves. Secretly, therefore, the Treasury has not derived much pleasure from helping us to reach this stage.

That was the start. I was then translated to the board of the London TSB. We had annual meetings at the Mansion

[Sir Geoffrey Finsberg]

house under the presidency of the Lord Mayor. Then, as now, I was not always prepared to use only the calmest of language. I remember how at one annual meeting I exploded when the chairman of the London board said that there were certain problems involved in making it possible for our depositors to have their own chequebooks. I commented that what he really meant was that the clearing banks wanted us to remain as third-class customers, obliged to make our depositors pay for each cheque. They were not prepared to allow us to give a decent service. The chairman said, "That might have been expressed in more diplomatic language, but you are perfectly right."

The progress of the TSBs to their present state therefore met not only with less than enthusiastic support from the Treasury but with great opposition from the private sector banks. However, in time those banks realised that there was a great advantage in the entry into the field of an organisation that had found a way of interesting those people to whom my hon. Friend the Member for Ludlow (Mr. Cockeram) has referred as the unbanked. There was then a change of attitude. We were able to have cheque books, the development continued, and we had Page.

As the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) said, Page was a watershed, as he did more than look at the trustee savings banks. I contrast what the right hon. Gentleman said about Page's emphasis upon the community nature of the trustee savings banks with the way that he virtually killed the national savings movement by killing the national savings stamp and the groups that, up and down the country in every street and village, collected vast sums of money for the national savings movement. It is a difficult thing to reconcile. The right hon. Gentleman will remember the large deputation that I led to try to save the national savings stamp groups. It was an all-party issue. I found it strange that this move came from Harry Page, whom I had known well in local government circles, although I do not have the privilege and pleasure of hailing from Manchester. I visited Manchester about once a month, so I knew its rains as well as Harry Page.

I was a little startled when I listened to the hon. Member for Thurrock (Dr. McDonald) because she obviously had to delve deeply to bolster her view of the trustee savings banks. I think that I can say without fear of contradiction that no member of the parliamentary committee has ever heard the origins of the trustee savings banks described as "primitive Thatcherism". I am not sure where she got that phrase from.

Dr. McDonald: I got it from the Page report.

Sir Geoffrey Finsberg: Page did not talk about Thatcherism. He was an astute enough treasurer to have said that Thatcherism, if there is such a word, when applied to rate capping for Manchester, was right and was brought on the Manchester council by its own activities. Harry Page, from his great height, would have told his councillors that in no uncertain terms.

The hon. Lady had certain other problems. She referred, for example, to people opening accounts to obtain benefit from the preferential pink form that will be available when the share issue comes. I am sure that she will have reminded herself that the moment that the Bill was printed, a stop was put on new depositors qualifying for the preferential issue and that 17 December was the cut-off date. Therefore, people cannot open new accounts in order to gain preferential treatment. Equally, it has been firmly said that only accounts that have been kept open will qualify in that way.

The hon. Lady was also worried about the arrangements for purchase for the staff and customers. I shall quote from a useful document that the chief general manager of the TSB issued on 18 December to the staff. It says:

"There will be priority arrangements for staff and customers. The priority to TSB customers recognises our particular wish to reinforce the special relationship which has always existed between the TSB and its customers."

That has been a most important element in the trustee savings banks movement.

The staff in the TSBs are different from the staff in the average high street bank. They are not the sort of people who suddenly appear out of cupboards. They are constantly in the bank, in the banking hall, meeting and serving customers — something that one finds less frequently on the part of the managers in most joint stock banks. Therefore, the TSB customer knows what the manager and staff of his branch look like and how they act. That is a useful and important factor.

The hon. Member for Thurrock said that, according to her research, 40 per cent. of TSB customers would not be able to take up the share issue because of the size of their accounts. That is a wrong assumption and one that she cannot make. She assumes that everyone with an account at the TSB has no account with any other bank. What is clearly said is not that one may purchase shares only to the value of one's account in the TSB, but that one's account in the TSB is the key to purchasing shares. I assure the hon. Lady that tens of thousands of people—I have not done the research — have accounts in the TSB and in other banks. They have those TSB accounts—the hon. Lady forgets this as well — because, until about 18 months ago, one got limited tax-free interest on one's current account in the TSB. Therefore people opened accounts there in addition to having accounts in joint stock banks.

Dr. McDonald: I was going on the percentage given to me by the TSB.

Sir Geoffrey Finsberg: I hope that the hon. Lady will help me, as I should like to be accurate. Did she ask the TSB how many of its depositors had accounts that would enable them to purchase shares, or did she ask how many of its depositors had accounts with less than £500? I do not wish to do her an injustice, but unless one knows the question that she put, the answer is difficult to evaluate, as is shown by the phoney public opinion polls produced from across the water by Mr. Livingstone. They are meaningless unless one knows what the question was. Will the hon. Lady tell us what the question was? I am searching for help, not trying to be difficult.

Dr. McDonald: I asked a simple question. I was interested in what proportion of depositors were interested in taking up shares in the TSB once it was floated. I have given the answer that I received. If the hon. Gentleman wishes to pursue this further, he should ask the TSB about the nature of its research.

Sir Geoffrey Finsberg: I shall do so. If that is the case, I question not only the hon. Lady's assumptions, but the basis on which that information could have been given to

her. No one can say what the attitude of the depositors will be and no one knows what accounts depositors have in other banks. The hon. Lady should not put too much reliance on the 40 per cent. figure. I do not blame her for for putting it to the House, but I question that figure, from whatever source she got it, until I know the basis on which the information was supplied to her.

It is true, as has already been said today, that the TSB movement used to be Scottish-oriented. In the past 10 years, the enterprise and thrift of the south has overtaken that of the Scots, and it is no longer possible to say that Scotland is in the position that it was until about a decade ago. Until then, it was the major component of the TSB and year after year had bigger profits than the other components. However, those of us in London and the south-east always arranged to lend our resources to the north-west, the north-east and Scotland to help them in the opening and development of new branches, even in those days, when we were the poor relations of the north. I see no reason why that should not continue.

Mr. Wilson: I do not necessarily accept the hon. Gentleman's last assertion. However, does he agree that there is a difference between the south overtaking Scotland in terms of the development of TSB operations and what is proposed in the Bill, which is the taking over of the autonomous TSB within Scotland? Under the previous structure, the control of the operations in Scotland lay with the trustees of the TSB in Scotland, whereas now it will lie with the group.

Sir Geoffrey Finsberg: The complete autonomy that existed in the days of the Glasgow and Edinburgh banks and the wide variety of Scottish trustee savings banks was surrendered after the Trustee Savings Bank Act 1981 was passed. That was when we established the central board. The hon. Gentleman is addressing his arguments to something that happened several years ago. If he still feels strongly about the matter, he might take it up as a quid pro quo for those in England who are less than happy that the control of Williams and Glyn's bank will be taken over by the Royal Bank of Scotland. Such matters work both ways, and one must occasionally accept compromises. The Bill provides the trustee savings banks that we really want. It gives the opportunity to people to continue the work that they have been doing.

I began by talking about the honorary managers, and I return to the point made by the right hon. Member for Ashton-under-Lyne about the localities. In his letter of 18 December, the chief general manager said:

"We will maintain our traditional role as a personal bank and continue to build on our achievements in the communities which we serve."

The regional board members act as liaison officers between the regional boards and the central board. They also visit branches and "sell" the bank, not only to personal customers but to professionals and institutions, on the basis that potential customers will know that local people are very much interested and involved. I have spent some 30 years in voluntary service of the trustee savings banks, and I would not support such a Bill if I believed that it would remove the link with the communities.

Two people might be singled out on the long road during the past 20 years towards the independence of the trustee savings bank movement. One is Sir Athelstone Caroe, who did an enormous amount in this area, and the other is Philip Keens, who pioneered much, including the unit trust movement of the TSB and the Trustcard. The movement owes a debt of gratitude to such individuals who dedicated themselves to the work of the trustee savings banks. They will be satisfied that the Bill provides——

Mr. Gerald Bermingham (St. Helens, South): I apologise for not being in the Chamber for the beginning of the hon. Gentleman's speech. He may already have dealt with the point that I wish to raise. How will the independence of the trustee savings banks be improved by removing them from the ownership of the common people and putting them in the hands of a few shareholders?

Sir Geoffrey Finsberg: The hon. Gentleman has just wandered into the Chamber. He has missed at least five speeches that would have told him all about this. Clearly, he has not even read the documents or the White Paper, which make it clear that the present ownership is problematical. He does not understand that preference in the purchase of shares will be given to customers and staff. With the greatest respect to him, may I say that I hope that he does not advise his clients without having read all his documents. He did this to me once before, and on that occasion he had to say that he was sorry. His intervention, again without proper preparation, does not do him the credit that he usually deserves for his researched speeches, which are good

The Bill deserves commendation, and I hope that it will pass rapidly through the House.

5.44 pm

Mr. Ian Wrigglesworth (Stockton, South): As one who worked in the state banking sector and in the joint stock banking sector before coming to the House, and as one who served with a former Economic Secretary to the Treasury and the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) in the Committee and other stages of what became the Trustee Savings Bank Act 1976, I share some of the reservations that have been mentioned by hon. Members about the change that will be introduced by the Bill.

I was pleased that, in introducing the Bill, the Economic Secretary to the Treasury did not make exaggerated claims about it being a brave new venture in increasing competition in banking, although he mentioned it in passing. I was disappointed that the Bill was paraded in the Queen's Speech as a great venture in providing consumers with more competition. However, if one knows what the trustee savings banks have done during the past few years, and if one reads the White Paper, one knows that that competition began a considerable time ago. The real genesis of the Bill is the lack of clarity over the ownership of the trustee savings banks following the 1976 Act.

The Bill would not have been before us, and none of the claims that have been made would have been made, had we clarified the ownership of the banks in the 1976 Act. We can all be wise after the event, but it might have been better had we gone down the road of mutuality in 1976—some of us would prefer that now—and made it clear that that was what we intended. We all expected it to be a mutual organisation and we did not raise the question of ownership during the passage of the Bill. If we had said clearly that the trustee savings banks should be

[Mr. Ian Wrigglesworth]

mutual organisations, they would have provided the genuine third force in banking that Page intended and many of us foresaw.

Mr. Robert Sheldon: We saw it as a third force in banking—a third force that was mutually owned. The path that we envisaged was clear.

Mr. Wrigglesworth: It has become clear that the definition of mutuality, unlike the co-operative sector and the building society sector, was not specified as clearly as it might have been. I do not blame the right hon. Gentleman for that. We were all involved in the debates in Committee and we saw no need for it at the time. We took it as read that they were mutual organisations and that they would remain so. All that I am saying, with the benefit of hindsight, is that it might have been better had that view been cast in black and white in the Act so that there was no doubt about it.

The lack of clarity created the desire of the trustee savings banks and the Government to introduce the Bill, which may force the former to develop in a remarkable way. Since the 1976 Act, the trustee savings banks have developed a competitive edge and have been responsible for developments in banking that have been of great benefit to consumers. They have a proud tradition of including within their commercial objectives clear social purposes. Those social purposes—helping less well-off people to have banking facilities, even though they got only low rates of interests on their deposits—formed a desirable role and many of us would like to see it retained.

Although I shall not oppose the Bill, I hope that some of the propositions that the trustee savings banks have made, and which the Minister referred to, can be set more firmly and that we can be given stronger guarantees about some of the undertakings that have been provided. I hope that some of the proposals, such as those on share ownership, will not be mere gestures.

I also hope that the banks will not follow the example of the polytechnics that want to become universities. I hope that they will pay more than lip service to their character and traditions and, while being fully commercial and successful, will seek to continue with their traditions.

I have a number of questions for the Economic Secretary and I hope that I shall be able to pursue them in Committee so that we can amend the legislation to set more firmly the undertakings given by the chairman and by the Economic Secretary.

I hope that the Economic Secretary will tell us more about how the flotation of the shares will be organised and controlled. He has given us little information about that and he should not expect hon. Members to be satisfied until further details are made available.

We have had an undertaking that shares will be given to staff and customers. What proportion is it intended should go to the staff and what proportion to the customers? May we have undertakings on those figures? I should like to have the details laid down in the statute, so that they cannot be changed in the memorandum and articles of association at a subsequent EGM.

Regional charitable foundations are to be established. That is a good idea, but may we be told how many shares will be vested in the foundations, how large they will be, what sort of work they will do, who will control them, whether they will have a relationship with the regional boards and what will be their relationship with the whole banking movement? Will they simply be independent charities doing the same sort of work as many other charities? If they are to have an impact and to carry on the traditions of the TSBs, they will have to retain links with the banks—not just a shareholding in the banks, but a closer involvement. Can the Economic Secretary give us some assurances on those matters?

Such undertakings will reduce the fears of some hon. Members. There is unease about the direction that the banks will take once the Bill becomes an Act. The Economic Secretary will ease the passage of the legislation through Parliament if he will give us firm guarantees and will consider amendments in Committee to enshrine undertakings in the statute. If that happens, all hon. Members will wish the legislation well and will hope that the TSBs succeed in their new form.

5.54 pm

Mr. Michael Brown (Brigg and Cleethorpes): I welcome the Bill. It is not a privatisation measure, but a technical Bill, which is required because of an omission from the 1976 Act, which made a practical contribution to the development of the TSBs.

I acknowledge the view expressed in 1976 about how the Trustee Savings bank should develop, but it is inevitable that the status and constitution of the bank now have to be made clear. It is important to establish in legislative form the future ownership of the TSB. It is important that there should be shareholders and accountability, and that will be provided by the Bill. As every hon. Member who has spoken in the debate has made clear, it is also important to retain the character and tradition of the bank; we should not merely pay lip service to its tradition and character.

I have absolute confidence in the managers of the bank and in the boards, which include members such as my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) and many other people in public life. Their continuing association with the TSB will ensure that its character and traditions are retained.

I have a particular affection for the Trustees Savings bank and the character of savings that it has established, particularly in the part of the country that I represent. It has brought the concept of banking to small investors and savers. It is probably agreed on both sides of the House that the TSB is an ideal bank for those who still fear the idea of having a bank account with one of the traditional banks. The TSB introduces them to banking, cheque books and banking services, which are so important to our way of life.

I am pleased that employees and depositors will be given priority in the ownership of shares, though I do not agree with the hon. Member for Stockton, South (Mr. Wrigglesworth) who believes that the pattern of share ownership needs to be established in legislative form.

If I am fortunate enough to serve on the Standing Committee on the Bill, I shall ask my hon. Friend the Economic Secretary about his proposals for ensuring that employees and depositors have a genuine opportunity to become substantial shareholders. I shall also pursue the question of the maximum shareholdings. I understand that it is envisaged that the maximum initial shareholding should be 5 per cent. and that eventually the maximum could increase to 15 per cent. I have slight misgivings

about the figure of 15 per cent. Fears have been expressed about that proportion; they may be groundless, but 15 per cent. seems a little high.

It is important that we take on board the point made by the hon. Member for Stockton, South to reassure the outside world. It would probably be helpful if, in Committee, we were fairly specific about how the floatation takes place. The Government's record with regard to share flotations of other newly privatised companies is very honourable. However, the Trustee Savings bank is a unique institution and it is probably not quite right to use the word "privatised". Nevertheless, it is important to ensure that the country as a whole has confidence in the way in which the flotation takes place. It would therefore be helpful if my hon. Friend the Economic Secretary could give us some idea about that in Committee.

On the whole, I think that the measure is inevitable and, indeed, very important. I note the remarks of, I believe, the chairman of the Trustee Savings bank, which were echoed by my hon. Friend the Member for Hampstead and Highgate. The chairman said that the Bill, which is welcomed by the Trustee Savings bank, would not in any way make changes to the important contribution that it makes in maintaining its traditions as a personal bank. He also said that the bank was proud of its achievements in the communities which it was established to serve. I acknowledge the point that my hon. Friend made and see no reason why the legislation should alter that important community relationship.

However, in this modern world of complex and complicated banking it is right and proper that depositors with the Trustee Savings bank should be able to share in the advantages that accrue to those who use the traditional banking system. There is no doubt that in the past the TSB's depositors have to some extent been second-class banking citizens. However, I acknowledge that during the past few years the TSB and the House, through the contribution of the 1976 Act, have done much to ensure that the TSB's depositors are not second-class citizens.

The TSB is a very fine institution and I wish it well. The Bill can only strengthen the important contribution that it makes to banking to this country.

6.2 pm

Mr. Jim Craigen (Glasgow, Maryhill): The hon. Member for Brigg and Cleethorpes (Mr. Brown) hopes to retain the character and tradition of the TSB movement, but that hope is somewhat inconsistent with this Bill's objectives. The Bill effectively throws out of the window any concept of the TSB as a third banking force in the United Kingdom.

The Government should be embarrassed by the Bill on three main grounds. The first concerns the issue of ownership. The Bill seeks to authorise the selling of an unowned business. Ministers say that the TSB wants shareholders. The TSB's managers, or at least some of them—the ones that count—say that the Page report presaged the Bill. But, as my hon. Friend the Member for Thurrock (Dr. McDonald) pointed out, the committee, which reported in 1973, clearly said that the trustee savings banks should not be "hived off". Indeed, the review body of the late Sir Harry Page went out of its way to say that the need for shareholders was "neither practical nor desirable". Therefore, we are changing the whole concept of the TSB movement.

I agree with some of the points made by the hon. Member for Ludlow (Mr. Cockeram) about the fact that the TSB has been improving its services, has gained a better image and has improved its marketing during the past decade, but that has been without the benefit of shareholders. If a Labour Government had proposed nationalising the TSB, all hell would have been let loose. My hon. Friend the Member for Thurrock says that the Bill does not mean privatisation. I suggest that it is closet privatisation. A Conservative Government propose to sell an £8 billion-plus business and expect hon. Members to jump up and down with joy.

The second major ground of embarrassment for the Government concerns, ironically, the decision that the Chancellor of the Exchequer announced today about the reintroduction of the minimum lending rate. The White Paper says that the Government attach great importance to competition in the banking sector. Last week we had the undignified spectacle of the Prime Minister being dragged by the hair by the banks over the setting of interest rates. Last week it was not the Chancellor of the Exchequer who decided that the interest rate should increase to 10·5 per cent. but the National Westminster bank, and that started the ball rolling. Now the Government have done a U-turn over the free operation of market forces. That is the message that the Chancellor of the Exchequer signalled this afternoon. I have never heard the Chancellor give such brief replies to each and every question. Unfortunately, Mr. Speaker, I did not catch your eye then, although I had a question that I wanted to put to the right hon. Gentleman on that very point.

I just wonder why the Government have been such a willing partner in the conversion of the TSB into A.N. Other plc. If the Government really wanted more competition in the banking sector, why did they not say to themselves, "Let us have a bank that is different and a bank that is not going to follow the leadership over higher interest rates"? Higher interest rates will affect not only those with mortgages but local authorities, which will have to pay more for the borrowing that the Government have authorised.

I am disappointed that a reasoned amendment was not tabled. The Government have given insufficient consideration to the concept of a mutual bank that is set up for the benefit of customers and staff and holds out the prospect of lower interest rates and improved customer services.

I entirely agree with the point made by my hon. Friend the Member for Thurrock about the staff's opportunity for greater participation in the running of the trustee savings banks. However, I have noted some press comment that people in certain quarters feel that perhaps the staff union is too strong in the TSB. Once these new faceless shareholders come into being there can be no guarantees about what will happen in connection with anything to do with the TSB, never mind the customers or staff. The trustee savings banks will be under first-time ownership. Shareholders will expect dividends. My goodness, what an inviting prospect they face. Look at the reserves of the TSB. It did not get involved in the debt-ridden problems of Latin America or elsewhere. Perhaps its constitution saved it from such follies.

Some managers say that their accountability should be clarified. It will be clarified when the shareholders tell them, "Your responsibility is to us boys, not to the customers." Misgivings have been expressed about the

[Mr. Jim Craigen]

restraints imposed on the percentage of shares that can be taken up. The shareholders of today may not be the shareholders of tomorrow. Much will depend on the price of shares.

The Government should be shamefaced over the involvement of the TSBs in the community. The White Paper acknowledges the developments of TSBs over the generations. In Scotland and the north-east of England they have developed particularly well. In Scotland, one fifth of the adult population—I am included—has a TSB account. The reason for that is historical. Many of our grandparents and parents believed in thrift and opened an account with the TSB.

I declare an interest as a TSB depositor. Historical significances have been brushed aside. Traditionally, in Scotland, people invested in the TSB, whereas in the south of England and elsewhere they invested in building societies. Imperceptible differences in house purchase have occurred which are not always recognised.

Industrial and commercial development in Scotland and elsewhere depend upon savings deposits being used for the regeneration of areas in which people invest their money. I fear that those priorities will be changed.

The TSB has an extensive retail network of branches in many parts of the country, but there is an underlying weakness in the south of England. Money is spent on opening branches in the south of England in the hope that the new TSBs will muscle in on the other banks. Do the Government think that the other banks will sit back and allow that to happen without challenge?

Charity foundations put patronage into the new board's hands. Which charities will be involved and what choices will be made about the good works that they want? The hon. Member for Dundee, East (Mr. Wilson) talked about the Channel Islands. Why cannot there be a similar guarantee for the Scottish TSB on the allocation of shares?

The Minister does not flannel me by saying that the TSB in Scotland will be able to issue its own bank notes when the rest of the realm is moving to coin. More than the sentimental sop of a bank is involved. I want to know from where it will be controlled. That is significant for the depositors and staff.

The Bill is an open sesame — a mouth-watering prospect of shares in an £8 billion-plus financial and banking network. It is a great temptation. Shall I decide to buy shares now and sell them later?

Mr. Wilson: Will the hon. Gentleman do so?

Mr. Craigen: I am thinking about that.

The Bill involves more than that which is contained in it or the White Paper on which it is based. It is an amber light which leads to a green light for the building societies. I suspect that there will be an almighty gold rush by the building societies. They will all want to become plcs. At least they will be urged in that direction by those who see a substantial profit in the transformation of such organisations.

Protections against takeovers, which are not in the Bill, are insufficient. As the White Paper says, a 170-year-old savings movement, which has had a "special statutory relationship" with the Government, will be transformed so that it is on all fours with any joint stock bank.

Competition will be stiff. No one will get his own way. The managers might look for bigger salaries in line with managers of joint stock companies, but the shareholders might have different ideas. Despite the bland assurances this afternoon about takeovers being unlikely, the TSB could become the Trojan horse for a foreign bank entry into the country.

There is a prospect of a cartel. There are multiples of 5 per cent. or 15 per cent., and an annual general meeting might decide that it does not like a particular agreement.

This Bill is not good. In some ways it is sinister. I am in favour of improving the services provided by the TSB to its depositors and customers, but the imposition of shareholders is another matter. There is no guarantee from any quarter that the shareholders to come will be the depositors of the present.

It is claimed that there has been a rush in demanding the pink forms needed to buy shares. I am reminded of the parable of the labourers in the vineyard, when all the latecomers expected to take the advantages and assets of a movement built up over generations by depositors past and present.

6.18 pm

Mr. John Mark Taylor (Solihull): Like the hon. Member for Glasgow, Maryhill (Mr. Craigen) I shall have to think carefully when the time comes about whether I want to be a shareholder in an incorporated TSB. I have to declare an interest, as others have, in that I am a depositor with the Trustees Savings bank. The professional firm in which I am a partner uses some of the very good, progressive and commendable banking facilities which the TSB provides these days.

I draw two conclusions. As many hon. Members have said, incorporation of the TSB seems to be desirable, not least to clarify the TSB's status—which is complex if not confused — and to clarify the ownership and proprietorship of the TSB.

The hon. Member for Maryhill made some interesting points, as did other hon. Members, about whether there should be a bank among our financial institutions that was different. That interesting question certainly does not answer itself, but the fact remains, which is particularly poignant today, that in the end the banks cannot determine to be different simply for the sake of being different.

If the advanced services that people require in an increasingly complex fast-moving and computerised banking world can be provided by other banks, the TSB must provide them too. Therefore, the TSB is driven by its perfectly worthy need and ambition to stay in the banking game to provide modern services. The corporate basis for the TSB will facilitate that.

Secondly, interest attaches to the sheer number of the depositors with the TSB. That number is so great that the potential spread of equity on the far side of incorporation and the allocation of shares is such that the membership and the interest and participation in that bank will be wide. That is likely to be extremely healthy for the TSB in terms of public ownership, using that phrase in its best sense. It will mean that there will be a wide and general participation in a major institution which affects our daily lives and contributes to the services that we all want

We shall have to wait and see what the share take-up turns out to be. The British Telecom share take-up was refreshing. I doubt whether the experience of BT employees will in any way discourage TSB depositors. Some people are doubtless both TSB depositors and BT

employees and I am sure that they will be looking forward to their second opportunity to participate in a major national asset with their own assets.

Since we are all talking about the TSB, I should in fairness declare that I have nothing against the big four banks, but neither am I against them being kept on their toes. The TSB, with its large number of depositors, can play a part in ensuring that we all get the best terms because we are free to move our business elsewhere if we want to do so.

Several interesting historical views have been offered to the House in the debate, on the different parentage of the different branches of the TSB. In my part of England, near Birmingham, the origins of nearly all the TSB branches can be traced to the Birmingham Municipal bank which played an important role in the life of Birmingham and its suburbs and served its citizens well. For many of them, it was their kind of bank. I take note of the number of hon. Members who have said that that atmosphere of the bank is worth preserving for that reason and I am in sympathy with that view. Not only was it for many their kind of bank but for some it became a point of first entry to other financial institutions.

I feel sure that the founding fathers of the Birmingham Municipal bank would be fascinated if they knew how their original idea had grown, matured and succeeded, and had come to this day and this measure that we are debating. I support the Bill enthusiastically.

6.24 pm

Mr. Gordon Wilson (Dundee, East): Before I develop my main remarks on the Bill, it is worth while putting on record my admiration for the energy and initiative that has led to the rejuvenation of the trustee savings banks. There is no doubt that over a period of years and with a long history they have built up strong local associations and not only perform a useful purpose but provide a service and a loyalty in a locality that is much appreciated.

It is from that point that I should express the unease that has developed in me as the debate has progressed. That was not allayed by the exchanges I had with the Minister earlier. We are about to pass the point of no return in relation to the trustee savings bank. It has been argued that the main change was occasioned in 1976 under the Act of that year. But the changes that were made then, which were largely useful and gave additional powers and discretion to the management of the trustees savings banks and led to the amalgamations and mergers, are in danger of being wiped out by a complete change in the composition of the bank, which will lead in turn to centralisation.

When the Minister told me, as if it might be a blandishment that would be of some help, that there would be no diminution in the degree of centalisation if the Bill were passed, my worries were not relieved because there is a great danger of centralisation as a consequence. Prior to the Bill there was a confederal structure, with a central board with autonomous units which co-operated and worked together to make the changes and the image and provide the service to customers that was remarked upon earlier. That will now be encompassed in a new central board with shareholders who, with the directors of the main board, will call the tune in future.

Several years ago we had a great debate on the Royal Bank of Scotland, to which reference has been made. It is probably worth while to put into context some of the points that were made in that debate. It was argued by the Government, among others, that there were advantages in the royal bank being taken over by or merged with other institutions. The argument was set out plainly in *The Scotsman* on 16 December 1980 in a statement by Mr. Peter Balfour, chairman of the Scottish Council (Development and Industry) who was then a member of the royal bank's board. In an address to the company's annual general meeting he said:

> "In Scotland we are paying the price of the massive and increasing centralisation in London and the South East of the real decision-takers in industry, politics and the trade unions. As a result, the real needs and concerns we all feel in Scotland are becoming more and more remote from the understanding and the thinking of these people."

A year later in the *Financial Times* is the statement:

> "The existence of banks controlled in Scotland is possibly one of the factors which has enabled Edinburgh to survive as an important financial centre, with a set of traditions and a financial community independent of those in London."

It was against that background that we heard assurances from the Minister that there would be no diminution in centralised control——

Mr. Ian Stewart: I do not recall my exact words when replying to the hon. Gentleman's intervention earlier—I shall say more on the subject when replying to the debate —but to avoid doubt at this stage, I hope that he will appreciate that I was endeavouring to explain that there was already central control. I said that I did not believe that there would be any diminution of local management and independence resulting from the change. It was not the other way round.

Mr. Wilson: I am grateful for that clarification. Although we have assurances, including ministerial assurances, the reality is that when financial control is expressed in any company it is the majority shareholding that counts. Only if assurances are encompassed in legislation can they achieve any material change. The necessary power must be sought from Parliament.

The company that was after the royal bank, Standard Chartered bank, through its managing director gave assurances along the lines of those given by the Minister. He said:

> "It is absolutely not our intention"

to detract from the role of the royal bank

> "but I must add the rider that overall group constraints have to be subject to overall group policy."

It is clear from the charts on page 7 of the White Paper that what was an effective confederal structure is to be replaced by seven subsidiary companies all under the control of the group company, TSB Group plc. As I said, once the shares have been issued by TSB Group plc, it will become the master.

Who will have control of the bank's investment policy when it has been restructured? Will it be TSB Group plc or TSB in Scotland? In other words, if there is disagreement within the management structure — for example, about where investment should take place— who will make the final decision? It seems that control will remain with the new board, which will be answerable not to its regional boards, as it might be under a federal structure, but to the shareholders.

In that context, the letter from Sir John Read on page 13 of the White Paper makes it clear in paragraph 10 where power will lie. He writes:

[Mr. Wilson]

"The shareholders will then have the responsibility of electing the directors at the Group's Annual General Meetings. The individual banks and other companies in the Group will have their own boards, appointed"—

an important word—

"by the main board of TSB Group plc, and will include"—

generously—

"regional bank representatives, executive directors, and independent directors as at present."

The qualifications for service will be decided not by the regional boards or communities served by the subsidiary companies but by the main board in London, be it at Milk street or elsewhere. In other words, a bank with a substantial penetration of the Scottish banking market will be removed from discretionary decision-taking in Scotland, and that brings home some of the remarks of Mr. Peter Balfour, to which reference has been made.

Who will be in charge of marketing, advertising and investment policy? Under the unitary structure which is being imposed on the depositors of the bank, without their consent—their views have not been taken into account, although they may be deemed to be the owners of the reserves and assets of the bank—the decisions will be taken at the centre.

The structure of the new group is not intended to be completely uniform. As the hon. Member for Glasgow, Maryhill (Mr. Craigen) said, and as I pointed out in an intervention, special arrangements are being made for the Channel Islands and Isle of Man by which the local subsidiary will have 49 per cent. of its shareholding locally, and thus will have a different structure from the other subsidiaries.

The reason given for the difference is that different taxation laws exist. I agree that different tax regimes exist in those places—they are sometimes debatable, but they exist—and to a degree they have their own laws, though the Isle of Man legal system is based largely on English common law.

In Scotland, on the other hand, we have a legal system which has many differences from that in the rest of the United Kingdom. That applies to banking and other civil obligations. As the Government have conceded, in consultation with the TSB, that there should be special arrangements for the Channel Islands and the Isle of Man, special arrangements should be made to safeguard the autonomy of the TSB in Scotland. Indeed, if people in the streets of Scotland were told today that the TSB was at present a United Kingdom bank, many of them would disbelieve it. The TSB in Scotland is marketed in those terms, yet the Scottish people will find that it is a figment of their imagination, because the final power will not reside in Scotland.

A significant change is being made because the Bill provides not just for a new structure but for the transfer of assets. Liabilities and obligations are also mentioned. Assets are to be transferred out of a Scottish environment and into the London investment scheme. We in Scotland must face the problem that, although we have a vigorous banking set-up, big brother exists in London, and, unless we are careful, assets in Scotland will be snapped up. We have seen the way in which the joint stock insurance companies, which were extremely active in Scotland at one time, have largely been absorbed by their competitors in the south. Only the mutual insurance companies have managed to remain healthy, and they might be considered among the leaders in the insurance business.

I regard the Bill as dangerous and I am critical of the Labour party over it. Given the problems that the Bill is likely to create and the opposition to it that has been expressed by Labour Members, the least they should have done was table a reasoned amendment. Although the Government have a 140 majority in this House, I urge the Minister to take account of the real worry which I and others, including the hon. Member for Maryhill, have expressed about the autonomy and function of the TSB in Scotland. The Bill should be amended to take account of our special circumstances. In view of the decision of the Monopolies and Mergers Commission over the royal bank takeover, the Bill should be amended to ensure that the TSB's staunch reputation in Scotland is safeguarded, for the bank has a valuable role to play if given a chance.

6.40 pm

Sir Hector Monro (Dumfries): I do not intend to take up the detailed arguments of the hon. Member for Dundee, East (Mr. Wilson) but I shall share with him a recognition of the historical origins of the TSB movement. I hope that in future the new organisation will recollect its associations with Scotland. Short of naming local directors, I am sure that the hon. Gentleman and I can make a few valuable suggestions.

I am hardly a regular member of the group of Finance Committee pundits who talk on these matters and it may seem odd that I am about to say a few words on the Bill. I do so for only one reason, and that is historical. The savings bank movement began in my constituency of Dumfries in 1810. It would be wrong to pass the Bill without a word of tribute to Dr. Henry Duncan, minister of the parish of Ruthwell near Dumfries. Besides being a doctor of divinity, he had some commercial experience as a young man. He began the savings bank movement in 1810 in a small house in the village of Ruthwell. He accepted deposits of a shilling and upwards at a time when the banks would not take less than £10. It should be borne in mind that at that time the average farm worker earned less than £10 a year. They could hardly deposit their savings with other banks in the tiny amounts that Dr. Duncan thought would be valuable in future. The new bank was vital to those who earned especially low wages but who wished to begin saving.

Dr. Duncan's savings bank began its operations in 1810 and in the first year deposits totalled £151. After four years, they had reached over £1,000. All the deposits were put into a locked box with three padlocks. The box could be opened only if all the three trustees were present with their individual keys. The cash was sent to the British Linen bank at Dumfries, where it earned a rate of interest of 4 per cent. From this humble beginning, the movement spread rapidly to Dumfries. In 1875, it inherited the bank of Ruthwell and only a few weeks ago it joined the royal bank group as the last but one of the independent savings banks in Scotland, leaving only Airdrie on its own. The Annan bank has served the community well in agriculture and commerce over a long period.

Dr. Duncan masterminded the 1819 Act and assisted in the development of savings banks everywhere. Because of his thrift and foresight itis right to call him a father of the savings bank movement. Besides his restoration of the seventh century Ruthwell cross and his authorship of many

books, he was the moderator of the General Assembly of the Church of Scotland. Shortly after that, at the time of the disruption, he fell out with his colleagues and was one of the original members of the free church.

Moving on many years, to last year, we should recall the death of Andrew Rintoul, who lived near Newtonstewart and who was chairman of the Glasgow savings bank for many years. He was the first chairman of the trustee saving banks central board, the body which was recommended by the Page report. He had a fine record of service to the TSB movement. It is only right on this occasion to recall that my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang) served as a trustee for many years.

I am glad to know that the TSB movement has taken a close interest in Dr. Duncan. It purchased the old cottage in Ruthwell in 1951 and established a museum there. In 1974 we celebrated the bicentenary of Dr. Duncan's birth. The ceremony was attended by the great-great-grandson of Dr. Duncan. I remember that it took place in the middle of the 1974 general election campaign. It was well worth a few minutes of diversion to attend that memorable commemoration. The museum has been well looked after and I hope that all the financial experts in this place will visit Ruthwell and kneel at the shrine of Dr. Duncan, who began the savings bank movement.

I wish the Bill well. I hope that Dr. Duncan will smile happily and proudly on the movement which he started, which has such good prospects in future.

6.45 pm

Mr. Gerald Bermingham (St. Helen's, South): I begin by telling the hon. Member for Hampstead and Highgate (Sir G. Finsberg) that I told Mr. Speaker that I would be late in contributing to the debate for personal reasons. I assure the hon. Gentleman that I ascertained carefully the content of the speeches that preceded his. I am well aware that the ownership issue is well known throughout the House and the savings bank movement. My reason for speaking in this debate is that I have a great fear about that divide. I am not worried about expanding the services of the TSB movement. Indeed, I welcome that move 100 per cent., and my support for that part of the Bill is wholehearted.

I have a number of reservations about the way in which the Bill has been brought to the House and they lead me to ask the House to reject it tonight. I have made known my feelings to my colleagues on the Opposition Front Bench. I am aware that the Bill has been considered carefully by the Examiners of the House and that the legality of the Bill has been questioned. If I am treading on ground that has already been covered by others, I make no apology for doing so.

No one knows where true ownership of the movement lies. We are all aware of the 1817 Act and the Scottish legislation that was introduced in 1835. I am not proposing to enter into a history lesson, but it is clear that those who started the savings movement created a form of banking in which money was put out for certain specific purposes, and as such they became trustees. A trustee is someone who holds on behalf of someone else and not on his own behalf.

The Treasury has said openly, frankly and rightly that it does not own the trustee savings banks and that this is not a privatisation measure. One is forced to ask who wants the Bill in the form in which it appears before us. It is not necessary to ask who wants the services of the trustee savings banks to be expanded, because the answer to that is, "Everybody." Who wants the new TSB group to be a plc? Is that what the depositors want? The fact is that they have not been asked. Do those who will use the expanded services want the new group to be a plc? Again, they have not been asked.

Who wants the new group to be a plc? Apparently this is the wish of the managers. Why is this? Why do they want to sell off something which they do not own? Why do they want to create a limited company? There has been much argument about neutrality and perhaps that is the only reasonable solution. However, there is a problem. If I am thinking along these lines, and I am merely a lawyer, many more of my kind who are outside this place will be asking the same question. I tempt fortune when I say that the Bill might run into a little trouble with the English courts. If anyone tests the right to sell or to float the trustee savings banks as a public company, I shall not guarantee what the result of the test will be.

Secondly, why does the management want to sell off the trustee savings banks? Why does it want to raise funds by the sale of shares? If the shares are bought, the management will be on a Telecom-Amersham type of deal. We are talking about assets of £8 billion. There are 6 million depositors and 13 million accounts. The banks are not trapped and bedevilled by many of the problems that face other commercial banks. How will a flotation price be pitched? We have been given no idea about that. How will that be done so that a massive profit is not reaped on the day of flotation for those who are lucky enough to get in on the deal?

The ordinary citizens will not be the people to get in on this deal. We have seen what happened with British Telecom and Jaguar. We have had the placings, as the City so nicely puts it, and the agreed numbers. We will have that type of change again. We do not even know what the memorandum and articles of association will say. I say to the Economic Secretary in the kindest possible way that all the assurances in the world from him will not be worth anything if they are not written into the legislation. That is the only way in which the provisions can be made to stick. I have sufficient experience as a lawyer to know that memoranda and articles of association can be changed. One need only have the agreement of 51 per cent. of the shareholders and their views can be judged by a show of hands or a written poll. I foresee a time when limitations will be written into the memorandum and articles of association restricting a shareholder to 5 per cent. of the equity. It does not take much thought to work out that 11 institutions holding 5 per cent. each of the shares will be able to change the memorandum and articles of association.

After five years, a shareholder will be able to hold up to 15 per cent. of the shares. We know that shares change hands. Already we have noted that BT shares have moved from the personal sector to institutions. We have seen what happened with Jaguar and Amersham. I foresee that, shortly after flotation, the shares will begin to move.

The institutions may not need to wait five years before building up to their 15 per cent. stake. Let us face it: a valuable asset will come on to the market. I know that it is to be written into the legislation that priority must be given to depositors and to employees, and that is well and good. What statement will be made stipulating that a certain percentage must not go abroad? We have already

[Mr. Gerald Bermingham]

had the flotation of British Telecom shares in Japan and New York, so we know that this new idea is accepted. What guarantee do we have that the flotation of shares will be limited to this country and that a percentage of shares will not be floated abroad? Flotation provides one of the easiest and quickest ways of enabling a company to enter the English banking sector. Shareholders are thereby able to join a bank that does not have the commercial worries of other major joint stock banks.

Who has the right to sell shares? Would it not have been much better to create a mutual association? There would then not have been any problems with shareholders and fears of what might happen during the five-year period or afterwards. The Government with their built-in majority may overwhelm the views of my hon. Friends who will support me in opposing the legislation and the Bill may be considered in Committee. I must warn the Government that it is not good enough to introduce a Bill that does not contain a schedule setting out the memorandum and articles of association. It is not good enough to have legislation that does not state that the 5 per cent. and 15 per cent. shareholdings cannot be altered, that the majority of shares must remain in the United Kingdom and that certain factors apply to charitable donations and foundations. I shall not repeat the comments of my hon. Friend the Member for Glasgow, Maryhill (Mr. Craigen) on those points. I am always suspicious when I read the throwaway lines in Government papers—for example, the reference in paragraph 14 of Mr. Read's letter to charitable foundations that will hold special shares. We are not told about the terms and conditions applying to that new class of shareholder.

This badly drafted Bill is based upon a false premise —that one can sell what one does not own. The Bill is unnecessary, because there is no need for this new statutory form of TSB. There is the much better, more acceptable and carefully thought through form—that of mutual foundations. That form should, perhaps have been written in to the 1976 legislation. That was the road we should have taken.

It is not too late for the Government to think again. For once, the Bill contains nothing for the Government's coffers. The Government can therefore stand back, reappraise the subject in the light of the arguments advanced in the House and return with an expansion of the TSB which is in the TSB's interests. That action would receive the support of the whole House, because all hon. Members are for the enhancement of the service, improvement of its functions and development of the bank. I am sure that the whole country does not support the idea that some people should make a profit from the banks and institutions that belonged to our forefathers.

6.56 pm

Mr. Tony Blair (Sedgefield): The debate has given rise to certain points. Is this the right way to proceed with the TSBs? That question involves whether the TSBs should have gone mutual or, as the Government have proposed, should have become a public limited company. If the TSB public limited company is the right route to follow, it can be said that we are debating Hamlet without the Prince of Denmark. The vital issues associated with a public limited company concern the allocation of shares and protection from takeovers. Neither of those issues is dealt with in the Bill. We have only assurances contained in the letter from Sir John Read to the Chancellor of the Exchequer, which are not binding. It is important to establish the terms of the argument. Are the Government saying, "This is what we always wanted for the TSBs and this is the culmination of that process."? Are they saying, "I know that we want the TSBs to follow a different route but I am afraid that the commercial realities dictate that we cannot do that."? The Government seem to have been saying the latter.

Undoubtedly, the last 10 years have seen an enormous and extraordinary transformation of the Trustee Savings bank. It has been stated that the Bill is the end of that process of change. That the trustee savings banks should change has never been an issue. The clarification of ownership could provide a sufficient reason for that change to occur. That clarification obviously had to occur. That substantial change has taken place without controversy between the two main parties. It was recognised at all times that a balance had to be maintained between making the Trustee Savings bank able to hold its own and grow in a modern commercial world and preserving the special traditions and character of the trustee savings bank movement. That character involves particularly the strong regional and local participation in and identification with the Trustee Savings bank. The hon. Member for Dundee, East (Mr. Wilson) pointed out how people in Scotland regard the Trustee Savings bank as a Scottish institution. My relations, who have had the good fortune to come from Glasgow, were heavily involved in the Trustee Savings bank. They always regarded that bank as an institution that differed from the ordinary joint stock bank.

The question is whether that balance between commercial reality and the special traditions of the TSB has been kept. It is not doubted that the Bill will enable the TSB to live comfortably in the real world. The anxiety expressed during the debate is whether its special character will be lost in the process. If it is, we shall not merely have abandoned the legacy of the past, we shall have failed to take an opportunity to provide a different vision for our banking system in future. We value the TSBs for sentimental reasons and because, at best, they have symbolised the notion of community banking.

Two parallel movements have taken place during the past 10 years. First is the extension of the services of the TSBs and the second is the reorganisation of the TSBs, which was partly a centralisation process and partly an attempt to allow the TSBs to function more efficiently and without Government constraints. It is extraordinary to think that when the Page committee reported there were still about 70 different associations.

The Page committee acknowledged the need for the TSB to become tighter as an organisation and progress to a range of banking services for customers, especially lending. It is true, however, that the Page committee envisaged that lending should be to the ordinary public rather than corporate lending.

I must inform the hon. Member for Ludlow (Mr. Cockeram) that the movement from the Page committee was not initiated by the Labour party. It is best illustrated by the Bill. It is right to say that the Bill is inconsistent with the Page committee in its original intentions.

Mr. Cockeram: Will the hon. Gentleman accept my point that although the Page committee was set up by and

reported to a Conservative Chancellor, it fell to the subsequent Labour Chancellor to announce the then Government's decision because of the short lapse of time between the two events? The then Chancellor, the right hon. Member for Leeds, East (Mr. Healey), accepted the recommendations of the Committee. To that extent, does the hon. Gentleman not agree that there was a bipartisan approach to the reform of the national savings movement, which was the core of the issue put to the Page committee?

Mr. Blair: That is right. However, it is worth emphasising that the Page committee and the Labour Government believed that if the TSB was to develop, it should be in the direction of mutual banking. That was made plain.

My point is that, although the 1976 legislation was introduced without opposition, the consensus on all sides of the House was that the TSB would develop along the lines of a mutual bank. The importance of developing in that way was put clearly by both the Paymaster General in 1976, who moved the Second Reading of the Trustee Savings Banks Bill, and by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon). The TSB was to become what was called a third force in banking and was to be a different form of banking from that of the clearing banks.

The concept of the TSB as a third force in banking survived much of the structural, economic and commercial changes that took place in the TSB during the 1970s and early 1980s. The Government's view is that at one time there was a consensus that the TSB should progress through mutual banking, but that changes in commercial reality make that no longer a sensible option. There were significant changes in the commercial operations of the TSB, yet the concept of mutual banking survived.

The attitude of the management of the TSB changed in mid-1928. Until 1982 the TSB was always supposed to be in favour of moving in the direction of mutual banking. On Second Reading of the Trustee Savings Banks Bill in 1976 the Economic Secretary made it clear that corporate lending would create great dangers and that the personal customer service was ideal for trustee savings banks.

In 1978, when the TSB management submitted evidence to the Wilson committee, which was set up to review the function of financial institutions, it continually stressed the need for a third force in banking. The idea was alive then. It is clear from press reports between 1979 and 1981 that the idea then was that the TSB would become the third force in banking and a mutual bank.

For many reasons, the desire was to preserve the special traditions and character of the TSBs. I wish to emphasise the reasons why it was thought so important for the TSB to become the third force in banking and to be a mutual bank. First, the banks catered for the small depositor and the family—those who were otherwise unbanked within the system. That was true when it was established in the early 19th century and it remains true today. That feeling was reinforced by the fact that for many years, and to an extent today, the TSB has been an arm of national savings. The hon. Member for Hampstead and Highgate (Sir G. Finsberg) pointed out that successive Governments took a lot from the TSBs. The case for the TSB being kept under the control of its depositors is strengthened by that degree of Government involvement and by the slightly parasitic relationship between the Government and the TSBs.

Although I agree that it is clear that depositors do not own the TSB, their rights are quasi-proprietorial because of the traditions, and the relationship with the national savings movement. A point that has not been made, and should be made by the Conservative party, is that if the Government were truly committed to a wide share ownership or to wide participation of people in our institutions, the mutual banking route would be better than the plc route. In a mutual bank there would not be ownership of shares but there would be participation in accordance with the traditions of the TSBs.

The responsibilities to the traditions of the TSB are still acknowledged by its management today. It makes it clear in advocating the plc route that it realises that the traditions must be upheld. It has been put to the TSB that it is better to become a public limited company because it can raise money more easily and is accountable to shareholders. I understand that there has been no process of formal or informal consultations between depositors and the TSB management about the right route for the TSB. That is a weakness. A curiosity arising from the uncertainty of ownership is that it makes it more difficult to say who should be involved in what happens to the TSB. It would be wrong if the uncertainty resulted in depriving depositors of the right to participate in the consultation process.

The concept of the TSB as a third force in banking has been all but dropped from either the White Paper or the Bill, and the only protection that depositors have—this worries us considerably—is not in the Bill but in the letter from the chairman of the TSB to the Chancellor of the Exchequer. Indeed, the Bill in a sense is really an enabling measure; it vests the property in the plc and allows it to float shares, but it does not itself deal with the requirements that are necessary to ensure that the character of the TSB is observed. As far as I can see, that is left exclusively to the TSB management to determine.

Two essential points arise. First, there is the question of share allocation. There is absolutely no way at this stage of judging what allocation of shares there will be to the depositors or to the employees. The hon. Member for Solihull (Mr. Taylor) spoke of the need for wide ownership. We simply do not know how many shares depositors will have. There is no indication — the Minister may say that there is—whether any thought has been given to the number of shares that depositors or employees can expect.

The hon. Member for Hampstead and Highgate suggested that my hon. Friend the Member for Thurrock (Dr. McDonald) was wrong in saying that as many as 40 per cent. would not be able to take up shares. He made the point—it is a fair one in a sense—that there are many people who may not have much money in the TSB but may have money in other accounts. But that is to say that there may be fewer than 40 per cent. who cannot take up shares; in other words, there may be a very high proportion of depositors who want to take up shares. If we are to judge the measure properly, we should be told what figure is in mind for depositors. That is crucial to the spreading of share ownership.

With regard to takeovers, 5 per cent. for five years is the greatest amount permitted, but that is still considerable. It could still mean that large numbers of depositors could not get the opportunity to own shares. After five years the figure is to be fixed at 15 per cent., but that is only in the articles of association, and there would be no great difficulty about changing it.

[Mr. Blair]

My hon. Friend the Member for Glasgow, Maryhill (Mr. Craigen) eloquently explained the attractiveness of TSB, and I doubt whether many people will wrestle with their consciences, in the way that he did, about buying. The plain fact is that there is no guarantee that, after a five-year period, there could not be a substantial change in the nature of the TSB.

The Minister should tell us the basis upon which the matter is being put. If it is being said that it is no longer possible to have the notion of a third force in banking, or to go down the road of mutuality, we can judge the argument on those terms. But it is wrong for the Government to protest that this is merely the end of a foreseeable process when what has taken place is a considerable change of course. I should like to know specifically from the Minister why the Bill, even if it goes down the plc route, cannot contain adequate safeguards to ensure that the tradition and character of the TSB is observed. If that does not happen, whatever the rhetoric from Government or management, the reality will be substantially different.

7.14 pm

Mr. Ian Stewart: By leave of the House, Mr. Speaker, I hope that I may have an opportunity of responding to the debate.

Before dealing with the general questions which have been raised, I should like to mention quickly one or two practical questions which were put to me. The hon. Member for St. Helens, South (Mr. Bermingham) referred to the memorandum and articles. They are available in the Library. I do not at this stage want to enter into a debate with him about company law, but my understanding is that special resolutions, which are usually required for changes in articles, are likely to need a higher percentage of support than he suggested.

The hon. Member for Dundee, East (Mr. Wilson) raised with me in an intervention, and also in his speech, the question of possible direct shareholding in TSB (Scotland). I said that I would come back to that. It embodies a principle as well as the point that the hon. Gentleman raised. The local shareholding which it is proposed to make available in TSB (Channel Islands) is not provided for in the Bill. It is a proposal which the TSBs have put forward under their own powers. It would not be appropriate to insert a statutory requirement in the Bill itself either for or against such a thing. It would have been possible, if TSB (Scotland) had wanted to have such an arrangement — I imagine after discussion with other members of the TSB group — to put forward a suggestion that TSB (Scotland), or any of the other TSBs, should have that degree of independent shareholding. That is not the way in which the proposals have come forward, and far be if from me to suggest that they should do so in that way.

The hon. Gentleman also spoke about control. The structure of the group will be different. The holding company will be at the top rather than in the middle, as shown by page 7 of the White Paper. The top company will be a holding company and not a banking company. The banking, as I understand it, will be controlled by the boards of the four main banks, and the other business within the group will be controlled by the boards of the companies which do that particular business.

Mr. Gordon Wilson: I do not see any reason why, in the public interest, we should not insert certain provisions, whether the TSBs like it or not. The Minister says that the banking operations will be carried out by the subsidiary companies. Who will have control of the assets of those subsidiary companies? At the end of the day, will it not be the holding company, comprising the shareholders, which will have the right to say yea or nay with regard to disposal of the assets?

Mr. Stewart: The technical position would be the same as with any holding company and group, but in the case of the TSB group, as with many other quoted companies, the operating subsidiaries generally run their business, and not the holding companies which happen to be parent companies of the group. Clearly, the TSBs themselves have seen the need for a form of co-ordination of their activities, and that is reflected in the existing structure. I tried to explain earlier that there is a change in the structure, but it is not as if there is no central function as things now stand. The proposals have been worked out both by the individual TSBs and by the centre.

The hon. Member for Thurrock (Dr. McDonald) asked me at the outset of her speech about the timing of the flotation. I understand that the TSBs hope that it can take place by about next winter. It is not for the Government to determine. The vesting is a formality which must take place before the decision for the issue itself. That depends on several factors such as market conditions, the date of publication of accounts for quotation in a prospectus, and so on. Those are matters that the TSBs themselves will be able to settle.

I should like to refer briefly to the main issues that have been developed during the debate, because they are fundamental. I shall try to cover the main points that were raised by Opposition Members as well as my hon. Friends.

There is an oddity about the Bill, which presents some difficulties to me and the House. I readily admit that, because it is inherent in the situation. If the TSBs were already Companies Act companies in the private sector, if they were part of the banking group in that form, and wanted such a reorganisation, they would come to the House with a private Bill. They would be answerable for the way in which they had approached the House, and it would not be a Minister standing at the Dispatch Box who would tell them how to do it. At the other end of the reorganisation are the Government's existing responsibilities, laid down by a century and more of legislation on the statutory structure and powers of the TSB movement. Apart from the vexed question of ownership, to which I shall refer, the Government have responsibility for supervision, taxation and constraints — in this case, the removal of constraints on the ability of the TSBs to undertake an increased range of business.

Therefore, there is a Government interest. It is not, as has been frequently said during the debate, a Government financial interest. The Government are disinterested in that respect. They are disinterested in the issue, in that aspect of the future of the TSBs — and properly so. It was suggested that the Government might consider taking the resources of the TSBs into their own hands. That has never been the intention of the Government or of any of the proposals that have been considered. The idea is to allow the TSBs to develop in the way that those responsible for them have come to the conclusion is the best way forward in today's conditions.

Clearly, that raises several points of principle. I have been asked by many hon. Members about the Government's attitude to the recommendations in the Page report on the third force in banking. The right hon. Member for Ashton-under-Lyne (Mr. Sheldon) and other hon. Members referred to the local commitment and regional identity of the TSBs. Whatever may have been the position in 1973 or even when the 1976 Act was before the House, the Government and I and the TSBs do not believe that the mutual structure would be appropriate, either for today or for the future. It is important that we look forward and not backward in making our provisions for the TSBs in future.

I mentioned immediate practical considerations that have weighed substantially with the TSBs and the Government in considering the matter. Direct accountability is very important for those who are competing in the commercial environment of the retail banking sector today. Direct accountability to shareholders will be given through boards of directors and the holding company structure in a clear-cut way that will allow decisions to be taken that are in the commercial interests of the TSBs, and, in that sense, in the commercial interests of the depositors.

I have a strong personal concern that the depositors with the TSBs should feel that there is a continuing identity with the TSBs between themselves and the banks they use. I support the proposals by the TSBs that regional boards should continue and that there should be charitable foundations with favourable proposals for local interests. I support the idea that the depositors and the staff, who are by definition depositors, should have substantial priority.

The hon. Member for Sedgefield (Mr. Blair) raised a fair question when he asked about the Government's attitude to that. He asked about the Government's choice. A pattern has been worked out through discussion between the Government and the TSBs as to what is best for their own future. I do not come to the Dispatch Box to propose legislation for the TSBs that is not in their best interest. I hope and believe that a large number of depositors will apply successfully for shares.

I have been asked about the number of shares, the scale of priority, the terms of the issue and so on. Those are not matters that the Government can resolve or decide. I realise that that presents a dilemma. It is an enabling Bill. It allows a process to continue and be completed that has been fully explained in Sir John Read's letter, which is in the White Paper. However, if hon. Members are anxious to learn more specifically about the proposals that it will be the responsibility of the TSBs to carry through, through the TSB parliamentary group or another means of communication, Sir John Read, members of the central board and other representatives of the TSBs may want to take into account what has been said during the debate and in Committee and respond so far as they can to the questions that have been raised.

I have considered carefully what my position would be if I were asked such questions, because it has occurred to me that the House might be interested in some of those details, as I am, but I cannot take such decisions for the TSBs. The details of the flotation will have to be worked out by the TSBs with their advisers, the Stock Exchange and so on. It should not be Parliament that makes those decisions. It should not be Ministers, even a Minister as well disposed to the TSBs as I am. Parliament must provide the framework in which the change can take place, and the matters must then be resolved by the TSBs themselves.

Mr. Blair: Is not this the problem? Because of the uncertainty of ownership, when one talks about the TSBs advocating a certain course of action, all that one can refer to is the TSB management. In a sense, the depositors are a casualty of the uncertainty of ownership. The question that the Minister must answer to satisfy people is this. Why was not some attempt made to ascertain the views of the depositors? Unless the Government stand up for the depositors, they have no one else to turn to.

Mr. Stewart: I was going to refer to ownership. I shall do so now. Rather than answering the hon. Gentleman's specific question, I shall make some comments that cover the points that he made.

There is not just uncertain ownership; there is a lack of ownership of the TSBs. Parliament must resolve that problem. It is true that a mutual ownership could have been chosen, but I do not believe that that is right, and those who are responsible for the business of the TSBs also do not believe that that is right. Then there is the question of consultation. Again, there is a problem with the constitutional position. There is no formal means, and no easy informal means, of ascertaining the relative interests of those who are party to the TSBs in one form or another. There are trustees, managers, staff and depositors, so far as one can have access to them in this respect.

The proposals in the chairman's statement in 1982 received a good deal of publicity at the time, both generally and within the group, but I understand that there was very little reaction and that no strong case was put forward in favour of mutual ownership rather than the structure proposed. Whatever might have seemed sensible to Sir Harry Page in the early 1970s, it is simply not practical in today's conditions if one wishes this group of banks to be able to hold its own competitively with the four clearing banks.

As for the "third force", one cannot describe the market in such simple terms as one could 10 or more years ago. The barriers of function in banking, instalment credit, and so on have been considerably broken down and the financial institutions in retail banking can no longer be parcelled out into three separate groups — clearing banks, National Giro and TSB—each with a different constitution. I hope that in some respects the clearing banks will become more like the TSB rather than vice versa, because the TSB's great tradition of attention to the needs of customers is important commercially as well as historically as an element which is becoming increasingly important to customers of banking services today.

The question of consultation is thus linked with the lack of ownership. Until 1976, if a TSB closed down the surplus went into what was known as a "closed banks fund", showing that no one knew where to look in terms of ownership. The management and central board of the TSB have taken great care to consider all these matters within the movement before putting their proposals to us and I believe that those proposals constitute an appropriate way forward. We feel that we should support, as it were, the private Bill element in this by creating enabling legislation to deal with those aspects which remain the responsibility of Government.

Mr. Robert Sheldon: The Minister has not dealt with the 5 per cent. limit on ownership and the fact that after five years it will be possible to apply for and obtain, by takeover or other means, 15 per cent. of the shares. The Minister has said that the memorandum and articles of association will deal with that. Will he accept an amendment to enshrine the limit in the legislation so that it will not be possible for anyone to obtain a greater proportion in the future?

Mr. Stewart: I do not think that it would be appropriate for the legislation itself to include specific provisions about the flotation or about the subsequent conduct of the TSB as a private sector company. I take the point that the 5 per cent. limit in the memorandum will expire after five years, followed by a provision in the articles restricting any single shareholding to 15 per cent. We are talking about a time a considerable way off and we must not forget that legislation relating to the structure of financial institutions has been shown in recent years to become out of date very quickly. Enshrining in statute specific requirements on that or various other aspects, thus setting the TSBs apart from other banks for an unlimited period until Parliament decided to change it, would not in my view be in the best interests of the TSBs. I am therefore not persuaded by the right hon. Gentleman's argument.

I believe that the overall purpose of the Bill is helpful to the TSB and its depositors, and I hope that the House will give it a fair wind today.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 204, Noes 37.

Division No. 61] **[7.35 pm**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Beaumont-Dark, Anthony
Bellingham, Henry
Bennett, Sir Frederic *(T'bay)*
Best, Keith
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Coombs, Simon
Cope, John
Cormack, Patrick
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hawkins, C. *(High Peak)*
Hayward, Robert
Henderson, Barry
Higgins, Rt Hon Terence L.
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hunter, Andrew
Johnson Smith, Sir Geoffrey
Kilfedder, James A.
Knight, Mrs Jill *(Edgbaston)*
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lord, Michael
McCrindle, Robert
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Major, John
Malins, Humfrey
Malone, Gerald
Mates, Michael
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Tracey, Richard
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Walden, George
Waller, Gary
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Peter Lloyd.

NOES

Atkinson, N. *(Tottenham)*
Barron, Kevin
Beith, A. J.
Bidwell, Sydney
Boyes, Roland
Caborn, Richard
Clwyd, Mrs Ann
Cox, Thomas *(Tooting)*
Craigen, J. M.
Dalyell, Tam
Dixon, Donald
Fatchett, Derek
Fields, T. *(L'pool Broad Gn)*
George, Bruce
Godman, Dr Norman
Howells, Geraint
Hoyle, Douglas
Lamond, James
Maynard, Miss Joan
Meadowcroft, Michael
Michie, William
Mikardo, Ian

Miller, Dr M. S. *(E Kilbride)*
Nellist, David
Patchett, Terry
Pavitt, Laurie
Powell, Raymond *(Ogmore)*
Sheldon, Rt Hon R.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Wareing, Robert
Welsh, Michael
Wigley, Dafydd
Wilson, Gordon
Winnick, David

Tellers for the Noes:
Mr. Gerald Bermingham and
Mr. Peter Pike.

Question accordingly agreed to.

Water (Fluoridation) Bill

Order for Second Reading read.

7.46 pm

The Minister for Health (Mr. Kenneth Clarke): I beg to move, That the Bill be now read a Second time.

The Bill is seen by the Government as a valuable measure of preventive medicine of some significance for the dental health of many children in this country. On the other hand, the Bill does not break any dramatic new ground. It clarifies the law to enable the existing practice to continue in some parts of England and the former practice to be resumed in Scotland. I refer to the practice whereby fluoride is added to the water in some parts of the country at local option. The practice has proved valuable in reducing the amount of dental decay among children.

I propose, first, to explain why we need to introduce such a Bill when there has been a long-standing policy on fluoride in this country and, until recently, in Scotland. Secondly, I propose to deal with the health and safety issues connected with water fluoridation. In view of some controversy in medical and scientific circles, the concern about some of these matters is understandable. Finally, I shall refer briefly to individual liberty and the role of the Government. I know that many hon. Members, including some of my hon. Friends, are concerned about those matters.

The need for the Bill arises from Lord Jauncey's judgment, in the Strathclyde fluoridation court case, delivered on 29 June 1983. Hon. Members may recall that the case was brought by a Mrs. McColl, a lady living in Glasgow, who sought to prevent Strathclyde regional council from carrying out its intention progressively to fluoridate the water supplies for which, as the statutory water authority, it was responsible. The case lasted for over 200 days, and its length made Scottish legal history. Much of the public hearing was devoted to discussion of the safety of water fluoridation, and a large number of expert witnesses were called, including almost all the leading anti-fluoridationists.

It is my intention to cover safety issues in more detail later in my speech, but Lord Jauncey's finding on the safety issue was:

"there is no evidence to suggest that fluoride at the proposed level would have an adverse effect upon health".

Having heard a great mass of evidence and the most sustained arguments before an objective arbiter — a judge in a court of law—that there have ever been in this country, Lord Jauncey rejected all the petitioner's contentions that fluoridation was hazardous and confirmed that the fluoridation of water supplies would be likely to reduce considerably the incidence of caries — dental decay—in Strathclyde.

Lord Jauncey accepted, however, that fluoridation was legally ultra vires in Scotland, because it went beyond the legal powers of Strathclyde regional council under Scottish water legislation. The case turned on the question whether the duty of the council to provide "wholesome water" provided the legal power for fluoridation. Lord Jauncey accepted that fluoridated water was wholesome in the sense that

"it is neither contaminated nor in any other way dangerous to health",

but concluded that fluoridation was legally ultra vires in the narrower sense that it

[Mr. Kenneth Clarke]

"did not facilitate the supply of wholesome water, nor was it incidental to it".

Mr. Keith Best (Ynys Môn): Is it not a fact that Lord Jauncey in his judgment said that, when used for the purpose of preventing tooth decay, the addition of fluoride to the water represented a medicinal product? As such, would my right hon. and learned Friend agree that it would come within the Medicines Act?

Mr. Clarke: I do not recall that passage in Lord Jauncey's judgment. I have quoted his conclusions on the safety issue and the legal issue whether the existing statutory powers of the regional council cover the addition of fluoride. At the moment, fluoride is not regarded as a medicinal product by the licensing authority. Fluoride is a mineral that, when added to water, has these particular consequences; and it is a wholly separate issue as to whether it is a medicinal product and requires licensing under the Medicines Act. I shall pursue the point further if my hon. Friend wishes, but, on the strength of the evidence that I shall be citing in the course of my speech and of the body of evidence looked at by Lord Jauncey, there would not be any difficulty in obtaining a licence if it were established that fluoride is a medicine and requires a licence.

Following Lord Jauncey's opinion, the Government took immediate action to comply, and fluoridation ceased in Scotland. Fluoridation has, however, continued elsewhere in the United Kingdom, as Lord Jauncey's judgment is not binding outside Scotland. Although the Water Acts, as they apply in England and Wales, are similarly worded to the Scottish Acts, it does not follow that Lord Jauncey's view would necessarily be upheld by the courts south of the border. Unfortunately, doubt is now established because of the Scottish judgment.

The Government announced on 6 December 1983 that it was our intention, when the parliamentary timetable permitted, to bring forward legislation which could clarify the power of water authorities in Scotland to add fluoride to the water supply on the recommendation of the appropriate health boards. Since there was doubt over the legal powers of water authorities elsewhere in the United Kingdom to fluoridate, we announced that we also proposed that the legislation should cover all statutory water undertakers in England and Wales and that corresponding legislation should be enacted for Northern Ireland. That is still our intention, and the Bill reflects this.

I shall now address the basic question of the need and the case for water fluoridation as a measure of preventive medicine, which I began by describing. I hope that the House will be prepared to accept that dental decay constitutes a serious health problem which needs to be addressed. Although there has been a welcome reduction in dental decay over the past 10 years, it remains a significant and costly form of disease, which is particularly subject to regional variation. To illustrate this I shall quote from the 1983 child dental health survey, which showed that, for example, among 13-year-olds, 64 per cent. of children from Northern Ireland had active decay of the permanent dentition, 51 per cent. from Scotland, 40 per cent. from Wales and 31 per cent. from England.

Water fluoridation is not, of course, the only means of reducing dental decay, but it does have particular advantages over other methods, which I shall briefly explain. Improvements in dental health can undoubtedly be brought about by improvements in diet and oral hygiene, and it is our policy as a Government to encourage dental health education through the Health Education Council and the community dental services. At the same time, we have to recognise that there are limits to what can be achieved by this method alone. For this reason, we believe that it is important to encourage other forms of preventive dental treatment involving the use of fluoride supplements. There are a number of means of providing fluoride supplementation, such as toothpaste, tablets and what is called topical application directly on to the tooth. These are certainly valuable methods of preventing tooth decay, and much of the recent general reduction in dental decay is thought to be related to the use of fluoridated toothpaste.

Fluoride tablets and topical application of fluoride are of value, particularly in those areas where fluoride is not added to water, but they are a relatively expensive means of reducing dental decay. The use of fluoride tablets also requires the following of a regular regime, and experience has shown that that is not always easy for parents to maintain. Topical fluoride requires administration by trained staff. All the other methods—better diet, oral hygiene and tablets—are followed by only a certain proportion of the population, and by no means all.

Water flurodiation has advantages over all these methods in that it is highly cost-effective, does not require the use of trained personnel or conscious effort by the recipient and confers a benefit on the whole of a given community.

Dr. M. S. Miller (East Kilbride): I am in favour of what the right hon. and learned Gentleman is saying about the advantages of fluoride added to water. However, to complete the record, will he also mention the fact that fluoride can be and is being added to milk by an organisation run by a philanthropist in the south of England? That shows that there is another way to introduce fluoride into the system, although it is not as good a method as fluoride in the water.

Mr. Clarke: I am grateful to the hon. Gentleman for adding that example of another way in which fluoride can be given in the appropiate quantities to those who want it. I am glad that he agrees with me that all these specific methods do not reach all the population, and water fluoridation has advantages over all of them and is much more comprehensive in its effects.

I am aware that doubts have been raised in some quarters as to the effectiveness of water fluoridation. Lord Jauncey, in the Strathclyde case, considered the main studies that had been carried out on the effectiveness of fluoridation and concluded that, whatever inperfections individual studies might have,

"the message is nevertheless loud and clear from many different parts of the world. Water fluoridated to one part per million substantially reduces the incidence of caries. With evidence such as this available it is not surprising that the majority of the dental profession in the United Kingdom favours the fluoridation of water supplies".

Lord Jauncey also considered and rejected the theories that fluoridation only delays the incidence of caries and can lead to the delayed eruption of teeth.

In this country, that evidence about the effectiveness and safety of fluoride has been followed for years in some areas. About 5 million people, including my family, drink

water where the fluoride content has been artificially increased to the optimum recommended level of one part per million. Successive surveys have shown that dental decay levels among children who have had lifelong exposure to fluoridation are consistently lower than among children in comparable non-fluoridation areas. There is ample evidence that the fluoridation of water results in a markedly greater reduction in dental decay than simply the use of fluoridated toothpaste or other dental health measures.

The House may be interested to know, to add to my point about the experience that we now have, that fluoridation is carried out in more han 40 countries in five continents, and that more than 200 million people worldwide receive artificially fluoridated water.

Mrs. Jill Knight (Birmingham, Edgbaston): Am I right in assuming that the water that my right hon. and learned Friend spoke of his family drinking is in the Birmingham area? Is he aware that the Birmingham dental hospital has no cases of caries among children and that when students are required to look at caries in children, as a result of the fluoridation programme, children from outside the Birmingham area have to be brought in.

Mr. Clarke: I am grateful to my hon. Friend for that information. Comparisons of the incidence of dental caries among children in my hon. Friend's part of the country — Birmingham — and in other comparable areas have shown that the incidence of dental caries is lower among children in Birmingham. There might be some reaction in Birmingham if people were told that fluoridation had to be withdrawn from the water because the House had failed to pass the necessary legislation. I accept, as I am sure my hon. Friend does, that it is not sufficient simply to prove that fluoridation reduces dental decay for it to be accepted as a public health measure.

All those who advocate the adding of fluoride to water are just as concerned as the opponents about public safety, and safety always has been, and will remain, a primary concern. During the 1970s the safety of fluoridation was reviewed repeatedly by national and international bodies, such as the World Health Organisation, the Canadian Public Health Association, the United States National Academy of Sciences, the Australian Health and Medical Research Council, and in this country by the Royal College of Physicians. All those bodies concluded in published reports that fluoridation represents a safe means of reducing dental decay.

Therefore, I hope that the House will forgive me if I do not today go through all the arguments that have been made about all the ailments which at some time or another have been attributed to fluoride, and seek to set out the scientific case that has refuted those claims. Fluoride has been blamed for the increased incidence of many ailments, ranging from cot deaths to AIDS. The House will perhaps understand how curious some of the more fringe claims have been when I say that the evidence on AIDS appeared to derive solely from the fact that water in San Francisco has fluoride added to it as a dental measure. It now appears that other causes exist for AIDS being prevalent in that city.

However, I accept that serious people have challenged the use of fluoride. Where detailed, assessable evidence is put forward that fluoridation is unsafe, it is extremely important that the Government and my Department should examine carefully all the evidence and make known their conclusions. For that reason, I wish to address tonight in more detail some of the more serious problems that have been raised, especially the allegations that have been made for some years that fluoridation can cause cancer in man, together with recent reports from a laboratory in Japan concerning short-term tests of fluoride for mutagenicity.

Mr. Donald Stewart (Western Isles): Is the Minister aware that, even if one accepted that fluoride is entirely safe, some of us would still be opposed to it on the principle that we cannot accept compulsory medication?

Mr. Clarke: I shall deal with that point at the end of my speech. There are doubts — it would clarify the debate if we narrowed the issue to that — about the effectiveness of fluoride, but the scientific case is overwhelmingly against them. Some silly claims, and some serious ones, have been made about the safety of fluoride. It is important to set out all the evidence to reassure the public that the overwhelming balance of evidence is that fluoride is safe. Then we are left with the serious issue which I know worries the right hon. Gentleman and some others, and which I hope to address at the end of my speech. I must first try to dispose of the safety arguments.

To take first the alleged link with cancer, the principal evidence for such a link has been presented by two American scientists, Dr. Burk and Dr. Yiamouyiannis, who since 1975 have claimed repeatedly that cancer mortality in the United States has increased as a result of fluoridation. Their claim is based on statistical comparisons of cancer death rates in fluoridated and non-fluoridated cities. The data in support of the allegation have been considered by other scientists here and elsewhere and have by no means received general credence, with many criticisms being levelled at the methodology employed by those two doctors.

My hon. Friend the Member for Reading, East (Sir G. Vaughan), when he was Minister for Health, established an expert committee, initially under the chairmanship of Professor Alderson, and subsequently Professor Knox, with the terms of reference:

"to reappraise the published and otherwise available data and conclusions on cancer incidence and mortality amongst populations whose drinking water is either artificially fluoridated or contains high levels of fluoride from natural sources."

The report of that committee was published today, and copies are available in the House. After detailed consideration of the many studies covering large populations, which are considered in the report, including those of Burk and Yiamouyiannis, the committee concluded:

"We have found nothing in any of the major classes of epidemiological evidence which could lead us to conclude that either fluoride occurring naturally in water, or fluoride added to water supplies, is capable of inducing cancer, or of increasing the mortality from cancer. This statement applies both to cancer as a whole and to cancer at a large number of specific sites. In this we concur with the great majority of scientific investigation and commentators in this field. The only contrary conclusions are in our view attributable to errors in data, errors in analytical technique, and errors in scientific logic."

The committee went further — hon. Members can study the report to see that these are not selective quotations—and stated:

"The evidence permits us to comment positively on the safety of fluoridated water in this respect."

The Knox inquiry was conducted entirely independently of the Strathclyde case, which by coincidence held its 200

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days of hearings during the time when the Knox committee was carrying out its review of the epidemiological evidence.

Lord Jauncey came to similar conclusions after hearing all the evidence, including Drs. Burk and Yiamouiannis for the anti-fluoridationists, and he concluded:

"The fluoride/cancer argument, if I may call it so for brevity, has been shown to be based to a substantial extent on unsound principles and to have virtually ignored what may be described as the scientifically accepted facts of life about cancer and mortality."

I hope that that deals with the serious concerns raised by many campaigners about cancer. Some people will still not be satisfied, be we cannot subject it to more exhaustive scientific and judicial review than that to which it has been subjected during the past two or three years. The so-called experts who have tried to establish a link between cancer and fluoride have been forcefully rejected by scientists and those who have heard the evidence.

Mr. Ivan Lawrence (Burton): Were thorough studies carried out on thalidomide before it was put on the market as being utterly safe?

Mr. Clarke: Not on this scale. A problem with thalidomide was that the most exhaustive tests were carried out, but, as is always the case with a new drug, and as we discovered in a few other cases, it is only when it is used extensively in the population that one has the final and most crucial test, when one can sometimes discover unexpected side effects. I do not wish to speak too authoritatively about thalidomide off the cuff, but with hindsight it is possible to say that not enough testing was done on expectant mothers. I hope that that failing will not be repeated.

The Knox report, which considered the epidemiological evidence, was based on a massive amount of data. In such studies, the more people who have taken a substance and the longer the period during which they have been taking it, the stronger one's conclusions can be. As I said, 5 million people have taken fluoride through the water supply in Britain for many years. The figure internationally is about 200 million. Fluoride is not a rare substance. It has been added to water for years and many studies on it have been published. A review of all that evidence enabled the expert committee to come to strong conclusions. In this case, we are on strong ground compared with the usual introduction of drugs.

Mr. Richard Alexander (Newark): I have followed my right hon. and learned Friend's argument closely, and I am trying to support him. He said that in some cases, such as thalidomide, there might be unfortunate side effects. The report from which he has given us evidence dealt with an investigation into cancer. Did it also consider unexpected or unfortunate side effects?

Mr. Clarke: Yes; but cancer is the only one that has run for a long time. We considered cancer especially because the allegations about it have been more persistent. As I said, I could rehearse all the evidence about all the side effects, diseases or poisoning that have been claimed as deriving from fluoride. Lord Jauncey heard exhaustive evidence about many of those and came to his conclusions upon them. I said that I would not review them all, but it would be fair to the anti-fluoride case to say that the allegations about cancer have been the most persistent. That is why my hon. Friend the Member for Reading, East asked the committee to consider cancer.

Mr. Laurie Pavitt (Brent, South): I confirm the Minister's recollection of the thalidomide case. The Medicines Act 1971 was passed after it was realised that there had not been sufficient evidence about thalidomide and that it had been launched too quickly. Evidence presented to the investigation in Germany revealed that that had happened worldwide.

Mr. Clarke: I am grateful to the hon. Gentleman. His recollection is the same as mine, and I am sure that he is correct. We have vastly more evidence on and experience of fluoride. There are parts of the world, a few in this country and a number in the United States, where the natural incidence of fluoride is higher than the addition proposed in this country. There is no paucity of evidence. The mass of evidence enables experts to come to the conclusions that I have outlined.

I can demonstrate how exhaustive we have been, and will continue to be, in looking at various matters by dealing with the suggestion that fluoridation gives rise to a mutagenic hazard—the ability to alter human cells in ways that might be relevant to cancer and hereditary effects.

Lord Jauncey considered that issue during the Strathclyde case and, after receiving the available evidence, concluded:

"fluoride in the quantities likely to be ingested by humans from fluoridated drinking water has been positively shown not to be mutagenic".

Since the Strathclyde case, a reputable Japanese scientist has published several papers demonstrating mutagenesis under laboratory conditions from very high concentrations of fluoride applied directly to cells. It is important to remember about that study, about which I am sure some of my hon. Friends who follow these matters closely have heard, that the authors of the work did not claim that it proved that fluoride would give rise to a mutagenic hazard at the much lower concentration of 1 mg per litre, which is standard to all British fluoridation schemes.

Nevertheless, we set in hand a programme of studies intended to replicate the Japanese work and assess its relevance to fluoridation. The research has been planned and carried out on the recommendations of our Department's committee on mutagenicity of chemicals in food, consumer products and in the environment. We continually take the best advice that we can obtain on laboratory research here and abroad and keep ourselves up to date. It is important for everyone to understand that research work is always going on somewhere on many health products.

Mr. Neil Hamilton (Tatton): I am sure that my right hon. and learned Friend agrees that all that those reports can show is that, in the present state of scientific knowledge, fluoride in the quantities that are proposed to be added to drinking water does not constitute a health hazard.

However, can my right hon. and learned Friend explain what appears to be an inconsistency in Government policy? In most cases, chemicals, if ingested in particular quantities, can be toxic. In the past year or so, we have devoted considerable time to considering the effects of the ingestion of lead from exhaust emissions from cars, and

so on. In that case, the Government have adopted a different test. They have said that although there is not a shred of evidence that existing levels of lead in the atmosphere arising from exhaust emissions constitute a health hazard, those who favour keeping the existing law have to prove positively that it cannot constitute a health hazard. Of course, it is inherently impossible to prove such a negative, but I wonder why the Government do not adopt the same principle on fluoridation which, in particular concentrations, can also constitute a health hazard.

Mr. Clarke: I hope that my hon. Friend will forgive me if I do not get drawn too far into a discussion of lead in the atmosphere. However, I do not accept his description of where we are. There was no positive evidence to establish that lead in the atmosphere had damaged the health of children, but there was an area of doubt and of scientific contention. No one said that it could be proved that existing levels of lead in the atmosphere were safe. Therefore, it was decided to err on the side of prudence and to reduce the level of lead in the air. Certainly, no one claimed that lead was doing any good to anybody.

In so far as one can establish a case to demonstrate the safety of fluoridation, the epidemiological evidence has done so. There have been exhaustive studies by many people over many years and they have not been able to demonstrate any corrolation between the addition of fluoride or the natural incidence of fluoride and any particular condition. Unless one demands an absurd level of proof, one cannot go much further in demonstrating safety. The case for fluoride is not on all fours with the lead problem.

I thought that my hon. Friend the Member for Tatton (Mr. Hamilton) was about to concede that the health hazard argument is not valid in the fluoride debate. That is all that I am seeking to establish. I volunteer information on the latest studies to show how quickly we follow them up with our own research to check whenever doubts are raised.

We have advice from the Department's independent, expert scientific advisers from all relevant fields on all aspects of the evidence about the addition of fluoride to the drinking water of whole communities to achieve a concentration of 1 mg per litre. They have considered all the available evidence on the biological effects of fluoride in short-term tests, including the mutagenicity evidence from Japan and the United Kingdom, and animal carcinogenicity tests, as well as the direct and extensive studies of human populations reviewed in the Knox report.

All our scientific advisers, whom we use on a wide range of matters within the Department, conclude that there is no evidence leading to an expectation of hazard through the induction of heritable abnormalities, and no reliable evidence of any hazard to man in respect of cancer.

I sense that most of the hon. Members who have intervened either agree with me on the safety point or are not pressing it too strongly. I conclude my remarks about the safety of fluoridation with reassurances about safety in relation to cancer and mutagenic effects. I hope that those assurances demonstrate that the Government, the Department and our advisers keep under review all the evidence relevant to the safety of fluoridation. That is not unique in this country; international health bodies do the same, as do the Governments of countries where fluoride is added to the water supply of major cities.

The passage of the Bill will not reduce our commitment to keep up to date on research and to take seriously any new doubts expressed about fluoridation. We will continue to draw on outside professional expertise, but the evidence is more overwhelmingly in favour of the safety of fluoride in water in the concentrations that we suggest than it is of the safety of many other things that are willingly accepted as part of health care of all kinds in this country.

I hope that most hon. Members will now be prepared to accept that fluoridation represents a safe and effective means of reducing dental decay. There remain, however, the objections—raised by the right hon. Member for the Western Isles (Mr. Stewart)—of those who believe that, irrespective of the safety of fluoridation and its benefits, it constitutes an infringement of individual liberty and should never be carried out. [HON. MEMBERS: "Hear, hear."] I am always glad that one gets a resounding cheer of support when one mentions liberty.

Mr. Best: Only on the Government side.

Mr. Clarke: I hope that no one will launch an attack on liberty in urging the case for the Bill. Contrary to the partisan remarks of my hon. Friend the Member for Ynys Môn (Mr. Best), with which I might sometimes agree in other contexts, I think that, by and large, we are all in favour of liberty. However, one can take libertarian arguments to an almost absurd degree and it does not always strengthen them.

Mr. Dafydd Wigley (Caernarfon) *rose*——

Dr. M. S. Miller *rose*——

Mr. Clarke: May I begin before I give way? I hope that I do not have to stress my own commitment to liberty. It is not a challenge to the principle of individual liberty to say that in making judgments about cases, it is relevant to look at the degree to which one is infringing individual liberty. It sounds a dangerous argument, but it is not. The principle is not necessarily undermined by our looking at the degree to which individual liberty is affronted.

If anyone suggested the introduction of imprisonment without trial, the vast majority of hon. Members would probably be only too ready to go to the barricades to defend our present system with vigour. But we are talking about a circumstance in which people will find that harmless quantities of a harmless product are, unknown to them, being added to their drinking water, with no harm to them, but with considerable benefits to their children and many other people.

Several Hon. Members *rose*——

Mr. Clarke: That does not dispose of the individual liberty argument, but I must put those libertarian arguments into perspective before my hon. Friends leap to the barricades. When I have put them into perspective, I shall give way.

Let us consider what the threat to individual liberty is if we put into drinking water harmless quantities of this effective product in reducing dental decay. Hon. Members should consider the extent to which we all consume fluoride in other forms and the extent to which it already occurs naturally. First, I must point out that fluoride is present in most items of the diet, notably in tea. Indeed, heavy tea drinkers living in a fluoridated area will

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consume more fluoride from tea than from consumption of fluoridated water. It is therefore somewhat ironic that Mrs. McColl was shown celebrating her victory after the Strathclyde judgment by drinking a "fluoride-free cup of tea". There is no such thing.

Thus, I hope that I have put the issue into perspective. I have already pointed out that in many parts of the world people consume fluoride in their diets in far larger quantities than is proposed for our water supply. The exercise of individual freedom by those members of the community who feel so sensitive about our water supplies has an impact on the individual freedom of other members of the community. My hon. Friend the Member for Birmingham, Edgbaston (Mrs. Knight) mentioned Birmingham. But the individual freedom of some people in Birmingham to refuse to allow fluoride to be put into the water is probably an infringement of the individual freedom of other inhabitants of Birmingham, who think that it will do them and their families good if fluoride is put into it—*[Interruption.]*

Mr. Wigley: I have followed the Minister's argument in balancing the interests of one group against those of another. I accept that those groups may have different opinions and different opinions also from those of the right hon. and learned Gentleman. After all, none of us has a monopoly of wisdom, and hindsight may teach us severe lessons. But will he not at least concede that at the very minimum there should be a democratic decision, area by area, as the measure can be implemented area by area? When fluoride was introduced in some areas many years ago, it was introduced by elected local authorities. Since health authorities are non-elected, I believe that there should be local referendums so that people can decide for themselves on the very basis outlined by the right hon. and learned Gentleman.

Mr. Clarke: I think that it should be a local decision and that is what we propose. A referendum on fluoride might not give rise to the consuming interest in the issue that is apparent in today's debate. However, I quite accept that it is a personal judgment. Indeed, the Government have accepted that by the way in which they have presented the Bill. Nevertheless, before we get a passionate argument about personal freedom, it is only fair to put the issue into perspective. Some of us believe that the benefits that the measure contains in terms of preventive health care are important. It is not a terrible affront to the freedom of an Englishman, a Scotsman, an Irishman or a Welshman to say, "You will have in your water some harmless substance of which you are not aware, which benefits the teeth of your family and of others."

Mr. Andrew Bowden (Brighton, Kemptown) *rose*——

Mr. Clarke: I shall answer the hon. Member for Caernarfon (Mr. Wigley), because he has touched on a very valid point, given the public sensitivities on this issue, which will no doubt be warmly expressed this evening. We believe, as he does, that it is right to continue to allow decisions to be taken locally after consultation of local opinion by the responsible local health and water authorities. That has been the policy of successive Administrations for nearly 30 years. Much though we no doubt all look forward to an animated debate this evening on personal freedom, the Bill does not break any dramatic new ground. It restates the policy of successive Governments for the past 30 years.

Responsibility for preventive health measures has been vested by Parliament in the Secretary of State and through him in health authorities or, in Scotland, health boards.

Mr. Terence Higgins (Worthing): I welcome my right hon. and learned Friend's statement about a decision being taken on a local basis, presumably to reflect the differences either in local variations of fluoride or in local opinion. But does he really think that health or water authorities are the appropriate bodies to judge local opinion?

Mr. Clarke: There are genuine local variations in, for example, the incidence of natural fluoride in the water. There are also sometimes practical problems in adding fluoride to the water in some localities. Thus, there are those reasons for local decisions. The health authorities are charged with a wide range of responsibilities for local health and are, therefore, the bodies most competent to determine the health needs of the local population. We charge them with doing that over a wide range of extremely serious issues. Similarly, the water authorities are obviously charged with the responsibility for dealing with the water. If we added to the number of local bodies to be involved in all of those things, no decision would be taken on anything. We are placing the local decision in the hands of those bodies that take dramatically more important decisions in their respective fields for their localities.

Mr. Andrew Bowden: Will my right hon. and learned Friend give way?

Mr. Clarke: I should like to explain the local position with care so that everyone understands it. At present it is for the health authorities to decide, having consulted local opinion, whether to apply for water fluoridation, and then to negotiate with the water authorities over the detailed contractual arrangements. Financial responsibility rests with the health authorities, and the water authorities act as agents for them under the terms laid down in the contract.

I emphasise that it is our intention in the Bill to leave those basic arrangements undisturbed. The Government thought about the issue, and we took a positive decision that we were not going to change our policy, the policy of previous Governments, or the practice of previous years. We are leaving the present basic arrangements undisturbed. The result is that the House may be assured that enactment of the Bill will not force any health or water authority to undertake fluoridation against its wishes. We rule out a national policy of compulsory fluoridation, which people will no doubt urge upon us. The Government thought about that and rejected it, because of the strong feelings that have been expressed.

The Bill does not reflect the beginning of any major campaign to put authorities under pressure to fluoridate, where they or their populations are unwilling to do so. Again, I think that it is important to get these main issues of principle into perspective. The Bill is simply a measure to restore in Scotland and to confirm elsewhere the powers to make local choices about fluoridation that had been assumed to exist for more than a quarter of a century. In

future, those decisions will reflect—as they have done over the past 25 years—the undoubted effectiveness of water fluoridation in promoting dental health, and the different circumstances and views of various localities.

Enactment of the Bill will simply mean that those authorities in England and Wales that have chosen to have schemes will not have to abandon them because of continued uncertainty about the law. Water fluoridation has been implemented on the whole rather slowly in Britain over the past 25 to 30 years, to the frustration of some of its enthusiasts. Enactment of the Bill will not necessarily change the pace at which it occurs, but it will confirm and clarify the basis on which individual authorities can look at the issues concerned and make their own choices. We are simply resolving a legal doubt which should not cloud the issue. In summary, we are alive to the case for fluoridation in dental health promotion and to local sensitivities. We do not see ourselves as breaking dramatic new ground.

Mr. Jim Craigen (Glasgow, Maryhill): I think that we are all in favour of reducing the incidence of dental decay. If the Government brought forward legislation to reduce the sugar content in many of our foodstuffs and soft drinks, would not that have a significant effect in reducing the incidence of caries?

Mr. Clarke: I agree with both those propositions. We engage in campaigns of health education through the Health Education Council and others, pointing out the effects of sugar on dental decay and inviting people to adjust their diets. But for the reasons which I gave earlier, fluoride in the water goes way beyond that. The two are not mutually exclusive. However much one may try, through health education, to advise people about reducing the amount of sugar in their diet, one will not reach more than a certain proportion of the population. Placing fluoride in the water has proved to be more effective.

Mr. Andrew Bowden: Will my right hon. and learned Friend give way?

Mr. Clarke: I should like to answer one hon. Member at a time.

The hon. Member for Glasgow, Maryhill (Mr. Craigen) began by saying that he shared the view, which I am sure we all share, that we should reduce the incidence of dental decay. But if the Bill fails, it will not be open in any locality for local people and their authorities to decide that they want to introduce what has been proved to be the most effective single measure for reducing the incidence of dental decay in this country. If hon. Members vote against the Bill, they may have profound reasons—and some of my hon. Friends obviously think that they have—for doing so. However, they must not run away from the fact that in voting against it they will be rendering illegal a safe measure for reducing the incidence of dental decay which has proved to be extremely effective.

I have explained the Government's position. We have taken a cautious step. We should not have taken any new step had it not been for the recent judgment. Without that we should not have altered previous law or practice. Faced with the Strathclyde judgment, the Government had three choices. The first was to leave the law in England, Wales and Northern Ireland in the uncertain state that would result from Government inaction. The second was to introduce a different law relating to pressure or compulsion to spread fluoridation. The third was to restore the law to what it had always been assumed to be. By doing that we restore the power of the local decision, which has been assumed to exist for over a quarter of a century, so that localities which want fluoride can continue to have it. We chose the last course, which is sensible and reasonable. I hope that the House will give effect to it and give the Bill a Second Reading.

8.30 pm

Mr. Michael Meacher (Oldham, West): The Minister began by saying that this was a modest Bill. He will be the first to agree that modesty is no guide to hon. Members being readily able to accept a measure. Some people may have thought that health and the National Health Service were simple matters. Frankly, although we are for it, fluoridation follows hard on the heels of Warnock, surrogacy and experimentation on embryos and hon. Members are disabused. We recognise the element of genuine and sincere controversy. Strong views are taken about some aspects of the proposals and so we recommend a free vote on the Bill.

That does not mean that the majority of us have serious doubts about the beneficial health consequences of fluoridation. In many parts of the world it has been shown that the incidence of dental caries varies inversely with the fluoride in drinking water. The higher the level, in water, the lower the level of caries in the community.

The Bill proposes fluoride at the level of one part per million—the optimum level. Since only 500,000 people here drink water containing natural fluoride at that level, the potential exists for a substantial gain in reducing dental caries throughout the country. Only 10 per cent of people here drink water artificially fluoridated to that level.

Such a gain would not be trivial and it should not be underestimated. Caries is common and unspectacular, but it should never be regarded as inevitable and it is certainly not trivial. The 1983 child dental survey shows that by the age of 15 years, on average six of the 28 permanent teeth of children are either decayed, missing or filled. Caries is the principal reason for dental extraction. It is a disturbing comment on the nation's health that a recent survey found that about one third of a sample of people over the age of 16 in England and Wales had had all their teeth extracted.

The economic cost to the nation must not be ignored. Dental caries is one of the most costly diseases. The treatment requires expenditure by the National Health Service of over £200 million each year in England alone. That is a substantial sum. It is also estimated to be responsible for the loss of over 2 million working days a year. Its prevention or reduction in terms of the individual's health and to the nation as a whole is a prize worth striving for. That is generally agreed.

Mr. Nicholas Fairbairn (Perth and Kinross): Expenditure of £200 million is dramatic. What proportion would be affected by fluoridation, since it affects only children up to the age of 12 years?

Mr. Meacher: Fluoride affects young children, so the impact on adults will not be felt immediately. However in the long and medium terms the effect will be dramatic. As the Minister said, this is by far the most cost-effective means of reducing caries in the community in the medium term. Fluoridation is justified for the reasons that I have given. It is the most economical means of reducing dental caries.

[Mr. Meacher]

It is sometimes said that fluoridation is unnecessary because equally effective means of attaining the same result are available. Caries would decline if people reduced their intake of sugar and refined carbohydrates. I agree that we need more aggressive campaigns to achieve that. Such campaigns are not alternatives, but additional. I doubt whether they will achieve the desired result on the scale required.

Mr. Craigen: The problem is double-edged, because it is not a question of people regulating their own diets. People have no choice about the amount of sugar in soft drinks, for instance. The sugar content is often higher than it has to be.

Mr. Meacher: That is true. There should be more parental control to discourage children from eating too much sugar and sweets, and the food industry should be more strictly regulated. Consumers should be given more information about the ill consequences of food which they buy. That could have a considerable effect, but it does not detract from the argument for fluoridation.

Dr. M. S. Miller: Does my hon. Friend accept that there is doubt about sugar being the cause of dental caries? I do not speak on behalf of the sugar lobby, but my hon. Friend might be surprised at the so-called "evidence" that sugar does not have the effect which many believe it does have on teeth?

Mr. Meacher: My hon. Friend the Member for East Kilbride (Dr. Miller) speaks with greater medical knowledge than I. I have been led to believe that sugar is one of the main causes of dental caries. If I am wrong, I stand corrected. That does not detract from the central force of the argument about the effectiveness of fluoridation.

As the Minister said, the most health-conscious people are most affected by such campaigns. The great advantage of fluoridation is that it benefits most the poorest and the ill-informed — those who are not reached by other initiatives, however desirable in principle they may be. For instance, motivation by parents is needed to ensure that children receive the proper dose of fluoridation tablets over the years. Topical applications are time-consuming and have only limited effect.

It is fair to say that this must surely be one of the most exhaustively researched public health measures of all time and from all the evidence it is reasonable to conclude that fluoridation is by far the most cost-effective means of reducing dental caries in children.

Out of the abundance of evidence I cite only two examples. Birmingham began its fluoridation scheme in 1964. At the start of the scheme, five-year-olds in the Northfields suburb were found to have much the same level of tooth decay as in neighbouring Dudley, which did not fluoridate. Within only six years the Northfield rate had been halved, while the Dudley rate remained much the same.

Secondly, research has shown that five-year-olds living in fluoridated Bromsgrove have three times the chance of never having tooth decay compared with children of the same age in non-fluoridated Hereford, not far away. Conversely, it was also found that a child in Hereford had 13 times more chance of having at least 10 or more teeth decayed, missing or filled. One could give many other examples, but those are telling. There is much more evidence, both nationally, as the Minister said, and internationally and such evidence seems to me at least to be conclusive.

Nor is the benefit of fluoride, as the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) seemed to suggest, entirely confined to childhood. For instance, in naturally fluoridated Hartlepool, probably the area with the highest natural fluoride rate in Britain, it has been found that there is significantly less caries than in York, not far away, which has a much lower fluoride level. That improvement is found not only at the age of five, but also at the age of 15 and for adults over 45.

However, I recognise—it would be difficult not to do so after listening to the Minister's reception—that the main objections to the Bill are not generally directed at the medical evidence but at wider considerations. Perhaps the most prominent argument is that, even if fluoridation is beneficial and safe, it still encroaches on individual liberty. The response earlier makes that clear.

That would be a lot more plausible if those who made that objection did not also accept the regular addition of several other substances to drinking water such as copper sulphate, aluminium, calcium and chlorine.

Mr. Best: To make it drinkable.

Mr. Meacher: Indeed. That has a different effect but it is equally beneficial, desirable and harmless. If 40 chemicals are put into drinking water, the addition of one further does not seem to be a cause of such tremendous controversy. Lord Avebury, a well-known and notable advocate of many civil liberties causes, has said:

> "What is at stake is not the erosion of liberty but . . . 'the erosion of millions of teeth and the resultant suffering and misery of thousands of children, which fluoridation would go far to prevent'."

Another major complaint is that fluoridation represents a form of mass medication. Frankly, it does not. One cannot emphasise too strongly that fluoride is a natural constituent of water supplies. It occurs in Britain in natural form in concentrations of up to 5·8 mg per litre—nearly six times the level proposed under the Bill.

The adjustment of the quantity to an optimum level cannot be compared with the addition to the water supply of a substance not found there ordinarily. Equally, the phrase "mass medication"—the term most often used by opponents — seems to me at least both emotive and inaccurate as it is not a means of curing disease. I will say no more than that. I should have thought that a substance which had the effect of maintaining medical or dental health is more in the nature of a food or a nutriment than a medicine. It is a public health measure not unlike the adding of iodine to salt, calcium, iron and vitamin B to flour, and vitamin D to margarine.

For those reasons, I take the view that the so-called ethical objections to fluoridation do not stand up to scrutiny. I know that that is not a view shared by everyone and I respect the force of their argument and the way in which some people regard that as decisive. But I do not think that that is a view that is widely held in the population.

Nor do the claims that there are damaging medical side effects, including the cancer scare, which the Minister has gone to some lengths to dispel, hold water, although that is perhaps not the appropriate analogy. I am very much a

layman in such matters, as most hon. Members are, but I am impressed by the fact that Royal College of Physicians made a special study of all the available data in the mid-1970s and it concluded that there was no scientific or statistical basis for allegations of morbidity caused by fluoridation. A large list of conditions was discussed in depth. I know that there have been later studies, as the Minister mentioned.

I am also impressed by the fact that that view has been corrobated over and over again in similar studies by the British Medical Association, the British Dental Association, the Royal College of Surgeons of England, the Royal College of General Practitioners, the Royal Commission on the National Health Service, the British Paediatric Association and the Health Education Council. I could mention many others and they are all, by any standards, distinguished bodies in Britain.

I should be the first to recognise that those with an Athenasian inner certainty of their correctness in the face of the virtual unaminity of view of all the established bodies in Britain will not be persuaded. But in my view at least the medical evidence is overwhelmingly conclusive. Indeed, it is far more extensive than is strictly needed in order to warrant action now being taken on a wider scale to harness the preventive health potential of fluoridation.

The Royal Commission on the NHS went rather further and said:

"We are certain that it is entirely wrong to deprive the most vulnerable section of the population of such an important public health measure for the sake of the views of a small minority of adults."

In other words, how can one justify not giving the child who lives in Wolverhampton or Salford the same protection against tooth decay as the child who lives in Birmingham or Watford already enjoys?

Mr. Best: May I accept, ex hypothesi, that the addition of fluoride to the water is not mass medication but preventive medicine? The hon. Gentleman's faith in the medical profession is touching, but will he say which other substance of preventive medicine is administered by doctors not knowing the number or identity of the recipients or the total quantity to be ingested?

Mr. Meacher: There are many. Salt is one. I am trying to think of the answer. It is only fair to say that one needs notice of such questions. It certainly can be answered and I should be glad to write to the hon. Member after the debate. But even if there were no immediate comparison to be made with any other product it would not prevent the application of fluoride up to a given optimum level if it has beneficial results. We do not need a precedent. We can take a view on the merits in their own right and that is what we should do.

Mrs. Edwina Currie (Derbyshire, South): Is it not a matter of fact that we, by regulation, add vitamins to flour, and that one of the proposals for eradicating rickets among Asian families is to add vitamin D to chapati flour? Are those not examples in exactly the terms suggested?

Mr. Meacher: There is indeed, the important precedent of the bread and flour regulations. Iron and vitamin B are added to flour.

I do not wish to rest entirely on the view of doctors, although they have some right to special expertise in this area. The view is also held by over two in every three persons in the country. A National Opinion Polls nationwide survey in 1980 found that 67 per cent. of the people interviewed thought that fluoride should be added to water if doing so could reduce tooth decay. Only 16 per cent. opposed adding it. In other words, four times as many support fluoridation as are against it.

Hon. Members will be the first to say that we do not make policy on the basis of the vagaries of opinion polls, and I accept that—they in no way indicate rightness or otherwise on this issue — but the results of that poll showed decisively that what is now proposed by the Government commands widespread public support. Significantly, for the purposes of the Bill, this general view, so widely shared by doctors and the population at large, was also accepted by Lord Jauncey in his Strathclyde judgement in June of last year, as the Minister said.

The judge unequivocally repudiated the medical evidence against fluoridation. He categorically asserted that it was safe and effective — on the basis of a 120,000-word judgment and the examination, which had taken more than a year, and which had been one of the most thorough and comprehensive examinations of the evidence — and ruled only on a technicality that Strathclyde was acting ultra vires in adding fluoride because fluoridation had begun to be administered in Britain only in the 1950s, and it was therefore unlikely to be covered by the duty under the Scottish Water Act 1946 to provide wholesome water. The judge stated:

"An individual's right to choose how to care for his own body should only be encroached upon by statutory provisions in clear and unambiguous language."

I agree, but that is a legal comment, not a moral judgment. It is in keeping with his overall legal judgment — namely, that the law needs to be clarified if fluorides are to be added to drinking water—and I think it is fair to say that that is essentially why the Bill has been introduced tonight.

It is because I believe that the evidence is clear and conclusive that fluoride in water, either naturally or added at one part per million, substantially reduces dental caries throughout life; that water with this concentration of fluoride in a temperate climate is safe, irrespective of the hardness of the water; and that fluoridation is much more cost-effective than any of its alternative topical applications, that I support this measure, clarifying the rights of water authorities by empowering them to add fluoride up to a given optimum level at the request of health authorities. It is the least response that this House can justify.

I hope, therefore, that this modest Bill, which offers a substantial potential advance in the nation's health, will be carried overwhelmingly tonight.

8.53 pm

Mr. Nicholas Fairbairn (Perth and Kinross): It is strange indeed for me to listen in this House to the hon. Member for Oldham, West (Mr. Meacher) and the Minister taking the view that the judgment of an upper-class Right-wing Scottish judge should be the basis for legislation. Indeed, it is even more astonishing that any decision of a Scottish court should be regarded as the basis for shaking the foundations of English arrogance and altering the natural belief of the English in their statutory powers.

Dr. M. S. Miller: Go and take some fluoride.

Mr. Fairbairn: Go and take some bromide.

I do not declare an interest but, because the Minister suggested—it was an unfortunate suggestion—that those who oppose fluoridation may do so for flippant, absurd, transient or fantasised reasons, I should perhaps tell the House that before I did moral philosophy I did medicine and that after I did moral philosophy I did law. I believe that fluoridation fails massively on all three principles.

If Lord Jauncey is to be quoted—fancy having a Scottish judge quoted in support of any constitutional change—let us remember that he said:

"To use the water supply for mass medication"—

the hon. Member for Oldham, West said that it was not medication; I refer him to page 367 of Lord Jauncey's judgment—

"is without precedent or legal authority and is illegal."

Tonight the Government are seeking to make what is illegal legal—*[Interruption.]* It is illegal in Scotland. It is not because they believe that it is illegal in England and Wales but because they fear it may be illegal.

Fluoride is a potent catalase poison which is cumulative. Only one third of fluoride which is ingested is egested and, depending on the pH or acidity or alkalinity of the body substances, the amount excreted is vastly altered. Indeed, in acidotic conditions, the amount which is not excreted and is accumulated is vastly enlarged.

Nobody on any side of the argument denies that it is toxic. Indeed, in the United States pharmacopoeia, it is linked and bracketed with arsenic, lead and cyanide as a poison. There are innumerable papers on the adverse effects at the volume proposed of one part per million, although in clause 1(5) the concentration is to be contained at that level only

"so far as is reasonably practicable."

As I say, there are innumerable papers by the most distinguished scientists, many of them Nobel prize winners, on the toxic effects of fluoride, and I will give a few examples, although it is not on the medical and scientific matter that I rest my case. Indeed, if there were no medical and scientific case against it, I should still oppose it totally.

In India, Srikanha and Susheela have identified the characteristics of skeletal fluorosis such as calcification of the ligaments, joints and deformation of the bones and so on in many states where the level of fluoride is less than one part per million in the water. Of course, one of the variables is what else is in the water. In this country, there happen to be in most parts of the country where there is fluoride to that level large deposits of calcium and other minerals which are beneficial for the teeth and which to some extent lack fluoride.

In Turkey, the Hacettepe university has undertaken enormous research into the fact that fluoride at that level delays and prevents the healing and fracture of bones. In Sweden, at the Karolinska institute, it has been demonstrated that less than the level of 1 ppm of fluoride in the blood causes a surge of fluoride retention in many subjects. In 1976, Albert Schatz related the incidence of fluoride to the infant death rate in Chile. In Grand Rapids, where they had fluoridation, dental fluorosis, or discolouring and mottling of the teeth, occurred in 19 per cent. of the white population and 39 per cent. of the black population, which relates to the other ingested compounds. There are many variables.

In West Hartlepool, which the hon. Member for Oldham, West quoted with such approbation, there is a natural proportion of 1·5 parts of fluoride per million in the water. There is mottling of the teeth of 85 per cent. of the population and mottling or dental fluorosis to the distress point of 25 per cent. of the population. In osteoarthritis, the microcrystals of apatite are promoted and aggravated by fluoride. Even Dr. Donald Taves, who is such a promoter of the concept of fluoride, acknowledges its major effects on kidney malfunction. In general it affects hormones and thyrotoxine, locks up calcium, affects bone structure and affects the heart. It eventually causes a brittleness in the teeth which is far more expensive in the adult than any benefit that there may be in the delay of caries in a few children.

There are variables. There are some who are exquisitely sensitive to fluoride and show all the symptoms of nausea, diarrhoea, ulceration, internal skin lesions, fatigue and pruritis. If the hon. Member for Oldham, West is concerned about health, he should listen to arguments that suggest that members of the public may be put at risk.

There is the concept of variable thirst. There are conditions such as diabetes myelitis, diabetes incipitus, in which there will be different drinking patterns. One of the characteristics of fluoride toxication is increased thirst. This means that the variables result in different doses for different people and in different patients having different reactions to those doses.

In his judgment, Lord Jauncey said that it was not proved that fluoride was harmful, but he said that he could not exclude that it caused cancer. He held that it would cause dental fluorosis in some children. I do not take the view that judges are the best arbiters of scientific evidence in cases where for about 200 days and more some of the most experienced and dedicated men, unmotivated by any interest or prejudice, take opposite scientific views on the effect of fluoride. That, to me, leaves the case thoroughly not proven.

And all for what—so that we may reduce by 50 per cent. tooth decay, or delay it, in some children under 12 years of age. That is contradicted entirely by John Colquhoun, the retired chief dental officer of New Zealand. He stated last year that fluoridation had no effect on caries in children. In Birmingham, where there is fluoridation, there were 30 fillings per 100 teeth in 1964 and 40 per 100 in 1976, and an increase in milk teeth of 100 per cent.

Tooth decay is caused by many reasons, such as chemically adulterated food. As the hon. Member for Glasgow, Maryhill (Mr. Craigen) has said, it is caused by false chemical additives, be they sugar or otherwise. It is caused by neglect of the teeth or by excessive sweet eating.

Tooth decay, whatever its discomfort, is no worse than alopecia. It is no worse than athlete's foot. It is a nuisance, but it is never fatal. I know of no hon. Member, whether he has his own teeth, false teeth, filled or missing teeth who is thereby at any disadvantage.

Mrs. Currie: Will my hon. and learned Friend give way?

Mr. Fairbairn: No; I shall not give way. I was relieved to discover that my hon. Friend was in favour of fluoridation because that confirmed my conviction against it. [HON. MEMBERS: "Give way".]

Mrs. Currie *rose*——

Mr. Fairbairn: I shall give way now.

Mrs. Currie: Is my hon. and learned Friend seriously saying that no one has ever died under general anaesthetic for dental treatment? If he says that, my hon. Friends who live in or who represent Birmingham can correct him immediately.

Mr. Fairbairn: I am sure that many people suffering from piles, myopia or other ailments have died under anaesthetic, but that has nothing to do with tooth decay. It is to do with bad anaesthetics. If that is the basis of my hon. Friend's argument, I can say only that I hope she will take a general anaesthetic frequently. It is not for those who are against fluoridation to prove our case—great though the evidence is from most distinguished scientists. It is for the Government to prove their case. They must prove their case not on the balance of probabilities or possibilities or beyond reasonable doubt, but beyond all doubt, because so many distinguished scientists cannot be wrong.

I base my argument not on science but on principle. If the case for fluoride were proved, I would still object to it on principle. As Lord Jauncey said,

"To use the water supply for mass medication is without precedent or legal authority, and is illegal."

As the Under-Secretary of State for Health and Social Security — my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten) — said, when the Government were introducing a plan to advise people what to eat:

"Our job is to do no more than inform the public about the consequences of their actions for their health. Of course it is for individuals themselves to decide what to eat"—

I assume that he also meant what the individual decides to drink—

"and what risks to run."

We have a Conservative Government trying to legalise compulsory force-feeding—in other words, to legalise assault. I doubt that that action would stand up in the European Court of Human Rights. Never has any remedial or preventive measure been made legitimate, far less compulsory, except in the interest of the person concerned. Force-feeding of the insane is exceptional, but all medical treatment of the sane requires the consent of the patient or, if he is comatose, of those who are able to give that consent. No patient in this country has ever been treated without consent. This measure suggests that every citizen should be compelled to be medicated—not for his own benefit but for the possible benefit of some other citizens who form a minute proportion of the population.

Vaccination is in the interests of the person who is vaccinated. Seat belts are in the interests of the person who drives. No measure of compulsion forces a person to undergo any measure that benefits someone else, and certainly no medicinal measure does so. The legislation proposes that we should all be compelled to ingest a substance—whether it is harmless does not matter—so that some people may obtain benefit for a complaint which is never fatal and which is, at most, irritating.

The medical profession recently predicted that 1·25 million homosexuals will die of AIDS by the end of the century. If the medical profession discovered a water-soluble substance which could render that disease not fatal —caries is merely an irritant—is it to be suggested that it should be added to our drinking water? If a vaccine were to be found which reduced the affects of schizophrenia, should we all drink it? If the world population or rape crises were considered to be equally critical, should something be added to the water to alleviate those threats?

There are four substances in the atomic scale of elements which attract a common club—the halogens. They are fluorine, chlorine, iodine and bromide. Iodine appears in traces in water. It is harmless and tasteless.

Mr. Frank Dobson (Holborn and St. Pancras): Salt.

Mr. Fairbairn: Salt is not a halogen, and it is not an element either.

Chlorine is added so that every member of the public can drink the water provided in safety. It is now proposed that fluorine should be added so that some people will benefit. Hon. Members who were in the Army will remember that the fourth halogen, bromide, was added to tea, called No. 9, to reduce the sex urge.

Mr. Craigen: It didn't do the hon. and learned Gentleman any good.

Mr. Fairbairn: In the Army one could choose not to drink tea, but one cannot not drink water because of this legislation. It is important to remember that because fluorine is tasteless, citizens have no way of telling whether it has been added, and the Bill has no method of preventing the dosage ingested from causing fluorosis.

I cannot but be amazed that the Government, who are dedicated to freedom and hostile to totalitarianism — *[Interruption.]* The fact that the hon. Member for Oldham, West supports the measure suggests that it is totalitarian, — who are suspicious of bureaucracy and hateful of tyranny and assault should be the author of a proposition to compel the public to swallow something which will be of no benefit to the vast majority of those who swallow it and may do great harm. A Government who object to local authority expenditure are compelling local authorities to add to that expenditure. The measure is contrary to the simple freedom of being allowed to drink potable water and of not being compelled to swallow anything which has no possible purpose for oneself.

The Minister said that we were not breaking new ground. We are breaking new ground in principle in saying that everyone must ingest what might be good for a few people, and that everyone must undergo medication for the sake of a minute proportion of the population.

If the measure passes tonight it will be because the payroll vote is as unfree to vote against it as we shall be unfree to drink water which is free of a substance which will do none of us good and may do all of us harm. It is not a matter of scientific argument; it is a matter of great principle. The Bill breaches a principle of freedom which has never been breached in this country before.

9.15 pm

Mr. J. Enoch Powell (South Down): It has been a profoundly evocative and moving experience for me to attend the introduction of the Bill in the House tonight as the second motion on the Order Paper on a rather dull day. Perhaps the House will bear with me for a few minutes to permit me to put on the record the reasons why that is particularly so.

It came to pass many years ago that the scribes in the Ministry of Health gathered together. They came to me and said, "O Minister, behold, it is the season of private Members' Bills. Go, therefore, to hon. Members who have been successful in the ballot and persuade them to

[Mr. J. Enoch Powell]

introduce a Bill to legalise fluoridation of the water supply, for there is an exceedingly learned Attorney-General who has given his opinion that such a procedure requires statutory authority." I answered, "Not so, for if there should arise contention or tumult in that House, then the Bill may not pass, and the last state will be worse than the first. Wait, therefore, and possess yourselves in patience." They waited and they possessed themselves in patience. And it came to pass, after many days, that that Attorney-General went elsewhere and was succeeded by another Attorney-General.

Then I called to me the scribes from the Ministry of Health and said, "Go now to the new Attorney-General and consult him on the question whether it be required that there be statutory authority for fluoridation of water supplies and omit not to tell him the opinion of his predecessor, for I have observed that the men of the law, the more eminent they are, the more they do rejoice in disagreeing with each other." So the scribes went and asked as they were bidden and, behold, the second Attorney-General gave an opinion which was adverse to the opinion of the first Attorney-General. And they came and told it to me. I said, "Take up your pens and write quickly unto all the health authorities that are in the kingdom, and tell them that if they consider it to be in the interests of health in their respective areas, they may enter into agreements with the water authorities to fluoridate the water supplies."

I do not repent of that episode in my ministerial past. On the contrary, I am convinced that the decision that Ministers have had to take since the judgment in a Scottish court has been rightly taken by them, as the procedure brought into action some 25 years ago in the manner which I have described was also justified on grounds which a layman might rationally establish.

First, there is overwhelming evidence that the presence of fluoride in drinking water avoids a great mass of dental caries in young persons. It does not avoid dental caries in all persons, but it is beyond doubt demonstrated to be beneficial to all persons in their younger years in respect of their dental health. It is also, in my view, overwhelmingly and crushingly demonstrated that the presence of fluoride in water—indeed in proportions considerably higher than are proposed to be artificially produced—has no morbid consequences whatsoever.

I found most impressive, in arriving at that conclusion, the fact that in very substantial areas here in this country fluoride up to six times the proportion of one part per million has been drunk for generation after generation without it having proved possible to indicate any disadvantage in terms of health or any special or unusual morbidity amongst the populations which had drunk that water. I must admit that I found that demonstration even more impressive than the mass statistical experiment which has been carried out, of course more massively than ever in the past 25 years, in the artificial fluoridation of the water supply.

Dr. M. S. Miller: To do justice to the views of the hon. and learned Member for Perth and Kinross (Mr. Fairbairn), does the right hon. Gentleman agree that there is one side effect——

Mr. Powell: Yes, the mottling effect.

Dr. Miller: Indeed, and it is not dangerous.

Mr. Powell: I am much obliged to the hon. Gentleman for crossing that "t". However, the massive extent of fluoridation that has taken place makes the fact that there is no demonstrated correlation of morbidity with fluoridation so impressive as to be virtually irresistible.

I am brought, therefore, as was the Minister, in conclusion to the proposition that fluoridation of the water supply is compulsory medication of the population. I must confess that I have been unable, despite the term having apparently been used by a learned judge, to understand how the term "medication" can in any proper sense be applied in this context. There is, of course, no choice which any one of us exercises over the public water supply in the areas where we live. In the areas where fluoride is present naturally, there is no choice available to any member of the population as to the fluoride which he ingests from the water supply. It is in the very nature of a public supply that there cannot be personal choice, except by extreme contrivance. That applies, for example, to all measures such as those related to the purity of the air, the removal of noxious fumes and so on, that are adopted in the cause of public health. They are measures of which the consequences, by their very nature, and by the very nature of the vector medium, are bound to apply to all members of the community.

Fluoride is not a substance introduced into water to produce a specific medical effect upon certain individuals. It is not, as I understand it, medication in any natural sense. It is rather—I think that the word was used by the hon. Member for Oldham, West (Mr. Meacher)—a rectification of the content of the water supply, so that all areas can enjoy the same advantages as are enjoyed automatically in those areas where fluoride is present naturally in the water. I must therefore tell the House I have had to conclude that I, at any rate, can find no moral or libertarian reason why the advantages to be obtained from a water supply with a one part per million element of fluoride should not be made available to the people of this country at the discretion of the democratically elected local health authorities.

9.24 pm

Sir John Page (Harrow, West): Never before have I had the opportunity to follow the most famous prophet of Westminster. Being neither scribe nor Pharisee, I may not do justice to the speech of the right hon. Member for South Down (Mr. Powell), although I think that on the whole the Pharisees have acquired a reputation that they did not really deserve. Of the many speeches that the right hon. Gentleman has made, I think that I enjoyed his contribution today the most.

It is not always my role in the House to pour oil on wholesome but troubled waters, but today I shall seek to be moderate, modest and uncontroversial. First, I declare an interest as a director of a water company. My short argument will be devoted exclusively to the technical and administrative aspects of the Bill. I shall make no argument for or against fluoridation. I wish to remain entirely neutral on that, although I intend to vote for the Bill as it goes some way to clarify the legal uncertainties which currently face the water supply industry, as my right hon. and learned Friend the Minister for Health so honourably admitted in his speech.

For slightly more than 25 years, according to the right hon. Member for South Down, water authorities have added fluoride to water supplies at the request of health

authorities and under the umbrella of an indemnity provided initially by the Ministry of Health, and that rather loose arrangement has continued to this day. The Bill goes some way towards formalising the existing scheme.

Three aspects of the Bill—one major and two minor—are causing considerable worry and the industry will be most disappointed that my right hon. and learned Friend's speech today ignored the serious arguments and representations that it has put to him.

Mr. Kenneth Clarke: It may have been drowned in the excitement caused by one aspect of my speech, but I certainly tried to answer the representations made by the industry — albeit en passant, as they were essentially technical matters. For instance, I explicitly stated that health authorities would meet all the costs. That was included in my speech as the result of the water authorities' representations. I hope, therefore, that my hon. Friend will not take the view that the Government have ignored the arguments put by the water authorities.

Sir John Page: I am grateful to my right hon. and learned Friend. I listened to his speech with great dedication, but I must have missed his comments about costs, to which I shall return shortly.

Representations were made to the Minister by the Water Companies Association, the president of which is our distinguished ex-colleague, Sir William Elliott, as well as from the water authorities. I quote just one paragraph, which clearly summarises the worries of the industry. The Water Companies Association states:

"Our most serious concern arises over the fact that, as drawn, the Bill places the responsibility for the decision to fluoridate both on health authorities and water undertakers. In our view, this is quite wrong. Not only will this give rise to the difficulties which always occur whenever responsibilities are 'split' but it is quite inappropriate that water companies should be required to involve themselves in a decision which is essentially political, medical and ethical. Water companies have no wish to involve themselves in these issues and certainly they are not medically competent to do so. The decision as to whether fluoridation is appropriate should be left entirely to health authorities"

or, in the water authorities' view, to the Government as well as the health authorities.

"A water company should be required to comply with a request to fluoridate from a health authority subject only to the proviso that the water company could refuse to comply with such a request on the grounds of technical feasibility."

The Bill puts on water companies and water authorities a burden that they should not be asked to carry. It is the statutory duty of water undertakings to supply wholesome water. To add or not to add—that is a question that they should not be required to answer.

Mr. Kenneth Clarke: It would be more difficult for me to deal with these points if I waited until later on. My hon. Friend's point is perfectly valid. The answer to it is that the Government took a conscious decision merely to seek to reinstate the existing policy and practice. Had we conceded the case of the water companies that they should have no discretionary power and that the responsibility should rest with the health authorities alone, the Government would have been attacked by a number of my hon. Friends for making fluoridation easier and removing an existing element of local discretion. The only reason why we have not been able in the Bill to meet the requests of the water undertakers is that we have been, if anything, over-scrupulous in meeting the concerns of my hon. Friends that we should not make it any easier than it is now to add fluoride to the water.

The decision of two local bodies will therefore be required—the health authority and the water authority—before fluoride can be added. It will be up to the water authority to decide to what extent it wishes to be guided by the health authority.

Sir John Page: I am disappointed by that explanation. The vague messages previously sent down from the Elephant and Castle are now to be inscribed in the tablets of the law. We have an opportunity sensibly to place the responsibility where it should rest—either on the area health authority or on central or local government. I had hoped for a different reply from my right hon. and learned Friend. Perhaps he will think about the matter again, during the passage of the Bill.

My right hon. and learned Friend says that he mentioned in his speech the question of cost. I understand that the question of cost is not covered in the Bill, and that the responsibility would remain with the area health authority. If that is so, I am extremely grateful.

I should like my right hon. and learned Friend, or the Under-Secretary who is to reply to the debate, to clarify one more point. If the Bill were rejected tonight—I hope that it will not be—what would be the status of the existing agreements between the health authorities and the water authorities? I presume that they would not be affected.

Mr. Kenneth Clarke: My hon. Friend the Under-Secretary is anxious that I should reply to this point now as he expects to have other matters on his hands when he replies to the debate. If the Bill were rejected tonight, the position of England would remain in doubt, as it is now, and would await litigation. In Scotland, a Mrs. McColl has challenged the satisfactory arrangement described by the right hon. Member for South Down (Mr. Powell) and fluoridation has been declared ultra vires. There are actions pending in England and presumably sooner or later someone would force such an action through and obtain a judgment for or against the existing arrangements. Water authorities could either carry on with their present arrangements until such time as they were challenged in court or they might decide, because of the continuing legal doubt and the refusal of Parliament to resolve it, to err on the side of caution and end the present arrangements. That is not satisfactory, and that is the main reason why we felt compelled to legislate, and commend the Bill to the House.

Sir John Page: I have never had so many wise responses from a Minister and I have one more question for my right hon. and learned Friend. Why does clause 3(2) allow a period of two months from the time that the Act is passed before it comes into force? Is that period to allow companies to renegotiate existing agreements—if that is the case it is not long enough—or is to give those involved a short breathing space after the Bill has been passed? Will my right hon. and learned Friend say that during this two month period, after the Bill is passed and before it comes into operation, existing agreements will remain as they are at the present time?

Mr. Kenneth Clarke: My hon. Friend is obviously anxious to investigate this question. I am a little uncertain about the two-month period. I think that the answer will be that it is the usual practice in drafting, and if a better argument is produced in Committee, no doubt it will be

[Mr. Kenneth Clarke]

changed. On the important question of what happens in that two months, I am sure that the existing indemnities would carry through existing agreements, and there is no prospect of anybody litigating and getting the agreements declared illegal. In practice, there would be no threat to the existing arrangements and water authorities can be untroubled while waiting for the Act to come into force.

Sir John Page: Again, I am extremely grateful to my right hon. and learned Friend.

Although the points I have made are undramatic and unemotional, which will perhaps be unusual in the course of this debate, they are of vital importance to the authorities and companies that are doing their best to supply wholesome water to the community.

9.37 pm

Mr. Michael Meadowcroft (Leeds, West): I am sure that the problems of water authorities are important, but I shall return to issues of principle in the Bill. As the debate has progressed, it has become clear that this is one of those issues—fortunately for politicians, these are very few—in which there is a genuine clash of principle behind the different arguments. I appreciated the peroration of the speech of the hon. and learned Member for Perth and Kinross (Mr. Fairbairn), although I did not accept all the points that he made earlier in his speech.

Quite rightly, there is a genuine fear of mass medication among the public. I cannot concede that someone would enter lightly into proceeding with a Bill such as this if they were not convinced about it. Those who vote in favour of the Bill must also be convinced that the arguments have been thoroughly tested and the balance of advantage lies with those who wish to see a particular form of prevention of dental decay being utilised in this form. Therefore, I am prepared to put on one side as being the worst of arguments the crucial principle that we must not lightly consider giving a substance to everybody in general in the community without being sure that we can do them good.

The hon. and learned Member for Perth and Kinross appeared to accept that the compulsory wearing of seat belts was legitimate, because it did good to oneself rather than to other people. However, there was a paradox in what he said, because it was accepted even by those such as myself who were advocates of compulsory seat belts that in a minority of cases, the wearing of seat belts may be harmful to a person. For example, the car might catch fire and the person might be unconscious. The argument always lay on the balance of advantage, which might come from statistical sources, of wearing a seat belt. Therefore, the hon. Gentleman's argument is defective.

Some members of the Liberal party, not only in the House but in the country, believe fervently in the arguments put forward by the hon. and learned Member for Perth and Kinross. The argument has two bases: one is the fear that this is a dangerous precedent—that is a legitimate fear—and the other is a fear of the unknown. Many people believe that fluoridised water may cause some side effects about which we know nothing now, but which could emerge in generations to come and which would cause us to wish that we had not done it.

However—no doubt this has happened to all right hon. and hon. Members — many of my political colleagues in the Health Service have urged me passionately to support the Bill, because they believe strongly, having studied all the arguments and the research, that the balance of argument lies with their case. The most telling fact is that during the 20 years or more since the argument has been contested in and out of the public arena—I have been involved with it since 1962 or 1963—with the continual stream of material being circulated in opposition to the fluoridation of water, and even in the light of the terrible tragedy of thalidomide and the side effects of other drugs, which have increased considerably the sensitivity and awareness of people in the medical profession of the possible problems of drugs, no professional health body has changed its mind about the efficacy of fluoridating water. That is extremely significant, because people have become much more sensitive to the effects of drugs, and have become much more concerned with the labelling and contents of food and health in general.

My responsibility in the House is for health, and the Minister will recall that I have belaboured him for not giving as much attention as I believe he should to prevention. I have urged him to maintain the inclusion of thiamin and calcium in flour and bread; I cannot now say, "But I do not wish you to assist people by fluoridating water." I would not wish it to be thought that the fluoridation of water is a panacea that will solve all the problems of dental health. If the Government are seriously worried about tooth decay I hope that they will consider the adverse effects of sugar in the diet, and look to the better prevention of dental decay by the better labelling of food and by educating people about the contents of foods.

There was a suggestion that the statistics may not be as powerful as has been suggested because other substances in the water in some places where fluoride has been added may have assisted in reducing dental decay. However, the evidence of Birmingham during the past 20 years must counter that suggestion. It is not suggested that dental decay was already low or that in controlled neighbouring towns and cities the level of decay was similar, because those other substances were also present in the water. During those 20 years, dental decay has been reduced dramatically. For example, the number of children attending clinics for the relief of toothache dropped from over 10,000 in 1965 to under 2,000 in 1977. Only 62 Birmingham children were supplied with false teeth in 1983—about one in 3,500 of the school population. In neighbouring Wolverhampton, the corresponding figure is one in 280—about 12 times higher.

The protection offered by fluoride has to begin at birth to do the most good. If fluoride is put into school milk or into toothpaste, it is too late to have the maximum effect. Fluoride occurs naturally in many areas and it is significant that people living in those areas have never suggested that they wished fluoride to be removed from their water supply. None of the studies and evidence, even from opponents of fluoridation, have suggested that fluoride should be removed from water supplies.

The one weak point in the Government's case is that the authorities that are to have power to implement the Bill when it becomes an Act are not directly elected. The right hon. Member for South Down (Mr. Powell) said that it would be better if fluoridation were introduced by democratic authorities. Sadly, neither health authorities nor water authorities are accountable to the electorate and it is a shame that that weakness in the system cannot be rectified in a short Bill.

If the whole population turned against those who have the authority to introduce fluoride, they would not have to resign, face the electorate or ask any outside body for support or approval. With that caveat, I shall support the Bill.

9.47 pm

Mr. David Atkinson (Bournemouth, East): As my right hon. and learned Friend the Minister for Health explained, the Bill attempts to confirm the legality of a situation whose legality was not in doubt before the Strathclyde judgment.

The Bill enables the decision to introduce fluoride to be made where it should be made—not at Westminster or in Whitehall, but by those whom we appoint to health authorities because of their special interest in health or their professional expertise. We believe those people to be the best to take into account local opinion, priorities and needs and to do so more objectively than any politician or civil servant could do. I am sorry that several of my hon. Friends want to deny their local health authorities the right to take that decision on behalf of their constituents.

Before health was removed from the responsibilities of local councils, I sat on a county borough council that took a decision on fluoridation. I believe that we took that decision as well as any decision could be taken. All the members were personally briefed by those representing both sides of the argument, we listened to various deputations and we read a wealth of documentation and research relating to experience at home and abroad.

We decided not to introduce fluoride because there was already a high fluoride content in our local water and it did not justify any addition. We took the decision in the best interests of the area that we served and we would have resented Parliament denying us the right to make that decision. Unfortunately, a number of hon. Members are suggesting that local authorities should be denied that right.

Health authorities are not directly elected. The right hon. Member for South Down (Mr. Powell) and the hon. Member for Leeds, West (Mr. Meadowcroft) advocated a return to directly elected health authorities, and we have some sympathy with that view. But I see no reason why those who have been appointed to local or area health authorities cannot make an objective decision. Indeed, my local health authority plans to do so if the Bill is approved, after taking into account a local working party report with recommendations, as well as the views of the local community health council.

I have every confidence in the ability of those who have been appointed to serve on my local health authority, the east Dorset health authority. I shall list the representation: those appointed by the Wessex regional health authority include one hospital consultant, one general practitioner, one nurse, one Southampton university representative, one TUC nominee, seven "generalist members", including voluntary organisation representatives, and five members appointed by local authorities including two from Dorset county council and three from the district councils. That is a pretty representative list, notwithstanding the fact that they are not directly elected.

Very soon, those representatives will have before them a recent dental survey for the area of my constituency which shows that nearly half of Bournemouth's five-year-olds and two thirds of our 12-year-olds suffer from tooth decay. Those figures are very similar to those from national surveys covering non-fluoridated areas. Moreover, we know from national surveys that nearly half the population will have lost at least half their teeth by the age of 40, and in so doing will undoubtedly have suffered great pain, great inconvenience in having to go to the dentist and heavy expenses for dental treatment. That is the sort of information that will come before my local area health authority.

It would be irresponsible to deny the authority those facts in asking it to make decisions on behalf of my constituents. I admit that it is rather tempting to use the free vote tonight to vote against the Bill. Most of the letters that I have received from my constituents urge me to vote against it. Many of them refer to the fact that fluoride is a poison. Much evidence has been referred to tonight, but we have the assurance of my right hon. and learned Friend the Minister that it is not a poison. Obviously, the Government would not introduce such a measure and respected organisations such as the World Health Organisation would not approve of any measure that remotely related to poison.

But of course no one wants to be unpopular. One has to think very deeply before voting against the advice of many of my constituents who have urged me to reject the Bill. However, I would be a party to a sad and retrogressive step if I voted against giving the Bill a Second Reading. It would be sad for present and future generations of my constituents who would never then have the opportunity of enjoying a level of dental health that it has been proved beyond all reasonable doubt would be available to them. They would then be condemned to suffer needlessly the consequences and cost of tooth decay for the rest of their lives. I would not want to be a party to that.

It would also be retrogressive to vote against the Bill because it would mean that future generations in those areas — including many of our big cities — that have benefited from fluoride in their water supplies for many years would no longer enjoy the same level of dental health — until, that is, a future Government decided to introduce a national policy. If, through the introduction of fluoride into our water supplies, dental decay can be avoided, we will do our constituents no service by denying their health authorities the right to decide — which is what we are talking about—to introduce a proven, safe, economic and effective way of dramatically reducing the incidence of tooth decay.

Therefore, I hope that the House will show its good sense by giving the Bill a Second Reading.

9.55 pm

Mr. Laurie Pavitt (Brent, South): The hon. Member for Bournemouth, East (Mr. Atkinson) effectively underlined the way in which the Bill has been drawn to enable a legal muddle to be cleared up and so that the local people can decide. I reassure him about pressures from his constituents. He is experienced enough to know that the people who take the trouble to write to him do not necessarily represent all his constituents. When "Mr. Clavell-Blount" and his fluoridation lobby are at work, letters will not necessarily be in line with his judgment.

I spent last year attacking Tory Health Ministers, but now I congratulate the Minister on this measure. He will recall that in the debate on the Gracious Speech I chided him for being a coward and running away from the issue.

[Mr. Laurie Pavitt]

I asked him why the measure was not mentioned in the Gracious Speech. Fortunately, he has had second thoughts.

I spend most of my time considering health issues and crossing swords with Tory Ministers. I was pleased by the contribution by the right hon. Member for South Down (Mr. Powell), because I cut my political teeth on NHS matters when he was Minister responsible for health. The right hon. Gentleman made an important decision after Prime Minister Macmillan ordered three years of extensive research in three areas — Kilmarnock, Anglesey and Watford. That followed five years of research in the United States. The results proved beyond peradventure that one of the greatest moves towards the prevention of unnecessary pain and suffering was at hand in the fluoridation of water. That impeccable precedent is being followed tonight.

We have heard platitudes from all Ministers responsible for health about prevention. An example is smoking, and the 100,000 deaths that occur prematurely every year. At least we now have an enabling Bill so that something can be done about a serious problem.

Most hon. Members have concentrated tonight on the effects of fluoridation on children, but one must remember that we are talking about the teeth of children who will one day be 40 or 60 years of age. We try to stop young people from becoming addicted to cigarette smoking, but we are not worried so much about the older generation. In this measure we are also concerned about health care and prevention. Such measures apply to children because they have a life ahead of them.

Caries and the consequential toothaches, fillings and extractions could, within 20 years, be as unknown as the Charles Dickens' workhouse of the last century. Hon. Members have referred to the Royal Commission's findings. Fluoridation and a number of other factors could ensure that in the next century toothache, dental caries and extractions never occur. A number of measures are required to achieve that, but fluoridation is the first step.

The main objective is to establish a healthy body for the young and to maintain it during growth and later life. The House has heard about the number of people of 40 and 60 years who have mouths filled with china and porcelain instead of natural teeth. A recent Army survey of 18-year-old recruits shows that a staggering number suffer decay and need dentures.

The arguments for fluoridation rest upon thorough medically qualified research in many countries. The arguments against rest mainly on fairly dogmatic assertions. As the Minister has already said, 200 million people in the world are already benefiting from the prophylactic of fluoridation to prevent dental caries.

The phrase "mass medication" is a slogan. Those hon. Members who are worried about it should not drink anything in the House of Commons, because the Thames water authority adds 33 different medical substances as a prophylactic against illness——

It being Ten o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Water (Fluoridation) Bill and the National Heritage (Scotland) Bill may be proceeded with, though opposed, until any hour.—*[Mr. Archie Hamilton.]*

Water (Fluoridation) Bill

Question again proposed.

Mr. Pavitt: As hon. Members will know from previous debates on the subject, every drop of water that is drunk in the House, including tea and coffee made with it, has already been through the human body six times. If hon. Members feel that there is some way in which their individual liberty is being threatened by having that water cleaned before they drink it for the sixth time, I cannot follow that line of argument.

Hartlepool, Derbyshire and a number of other areas where there is a high concentration of naturally occurring fluoride in the water have been discussed. The anti-fluoridation lobby has never suggested that the Government should take action to remove that fluoride content.

Let us consider the economic basis of the Government's policy towards the NHS in trying to get the best value for public expenditure. There has been a great increase in the amount of public expenditure on the treatment of dental disease. In 1975, 27·2 million treatments were paid for by the NHS. There have been, of course, the unfortunate charges that Governments have imposed upon patients since that time. By 1982 that had risen to 31·7 million. In 1975 £169 million was spent on dental services out of the total Health Service budget and in 1982 that had risen to £401 million.

A good deal of evidence has emerged from recent research being undertaken, particularly in the London hospital and by the dental working party established by the Labour party. It shows the way in which Coca Cola, ice cream and so on are injurious to children's health. But the fact remains that fluoridation is the most effective first step in dental care, despite the possibility for further action by Government.

The Royal Commission has already been quoted. Its recommendation 5.31 on page 49 says:

"There are major areas where Government action could produce rapid and certain results: a much tougher attitude towards smoking, towards preventing road accidents and mitigating their results, a clear commitment to fluoridation".

That clear commitment is not coming from the Government tonight, but at least the Government have made it possible for local health and water authorities to proceed without being threatened with an injunction or High Court action which would prevent them from taking the necessary steps.

We are in favour of topical applications where fluoridation does not exist. We are in favour of the use of fluoride in milk, as happens in some southern counties in Britain. Nevertheless, everybody drinks water. There is no way in which one millionth of a part of fluoride added can in any way be injurious to health, and that has been proved time and again. This is a first step. I urge the Government to follow it through by accepting the other recommendations of the Royal Commission most of which were adopted as part of Labour party policy at the 1978 annual conference. The Government must, apart from this enablement, look into what is being done for school dentistry, examine the whole question of oral hygiene and consider the amount of expenditure that can be made so as to improve prevention rather than treatment.

We appreciate the difficulty faced by the Minister in that no Chancellor of the Exchequer is prepared to spend a penny today to save £10 in 10 years' time. Nevertheless,

if the Minister will carry out a follow-through policy of prevention, not only in this but in other spheres, we shall enter the next century with more healthy people and with fewer claimants on the National Health Service, enabling us to speak of the number of people who no longer need to be treated. It will mean people being able to go through their lives without oral diseases, without dental caries and without suffering the disastrous pain of toothache, so enabling the dental profession to concentrate on other areas. I pay tribute to the dentists, who are strongly in favour of the measure, although it might eventually put them out of work.

10.6 pm

Mrs. Edwina Currie (Derbyshire, South): I support the Bill, which is both fair and proper. From 1975 I was privileged to be a member of the Birmingham area health authority and subsequently, on reorganisation, to be chairman of the central Birmingham health authority. I was, therefore, close to and ultimately responsible for Birmingham dental hospital, the main teaching hospital outside the London area and a hospital of great renown; I was also a patient of that hospital for three years; and, like others, I am a parent, having two young children.

I tried during those years to come to this question with a completely open mind. Birmingham fluoridated its water more than 20 years ago and the results have proved extremely interesting. I will not quote the statistics because they have been mentioned by my hon. Friend the Member for Birmingham, Edgbaston (Mrs. Knight) and the hon. Members for Oldham, West (Mr. Meacher) and for Leeds, West (Mr. Meadowcroft).

We also had some interesting statistics from my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn). His seemed to be the opposite way round to most other statistics produced in the debate, suggesting that he was quoting from the wrong years. If he will do me the courtesy of sending me a copy of the figures he has, I shall examine them.

All other figures have shown that there has been a sharp drop in the number of dental caries; a great drop in the number of children without teeth or with dentures; a great reduction in the number of children who have had to be treated under general anaethesia, so enabling us in Birmingham to close a clinic; a sharp drop in expenditure on the removal of teeth; and an increase in expenditure on orthodentistry and conservation.

Those improvements have affected not just children, but adults, too. Indeed, we had problems with students because we ran out of people on whom they could practise and had to bus in children who were in need of treatment from other parts of the country. We were thereby able to pay much more attention to the dental care of the elderly, an area which had been greatly neglected.

If I had any doubts on this issue, the care of my two girls has proved to me the rightness of what the Government propose. My elder daughter was the result of a pregnancy carried in London, where the water is unfluoridated, although she was born in Birmingham. She had no end of trouble with her baby teeth, though her adult teeth are fine. My younger daughter, who was carried and born in Birmingham, where the water was fluoridated, has needed no dental treatment of any kind and has no fillings, even though she is coming up to her eighth birthday and eats sweets at a rate that makes me envious and, more important, eats them at the same rate as her sister.

Anyone who puts forward the argument that dental disease is trivial has never sat time and again in a dentist's waiting room with a terrified child. For children, fluoridation has been nothing but good.

Dr. M. S. Miller: I accept what the hon. Lady says. Does she accept, however, that sepsis in teeth, when it develops as the result of caries, can produce all sorts of conditions? The fluoride does not produce the conditions, but the septic organisms can cause rheumatic fever and many other diseases in children?

Mrs. Currie: I accept the hon. Gentleman's professional opinion on that.

The arguments on medical grounds that I have heard will not wash—the argument, for example, that fluoride is a poison. Anything is a poison if we take enough of it. My hon. and learned Friend the Member for Perth and Kinross has rejoined us in the Chamber. Were we to spreadeagle him on the Floor of the House and pour absolutely pure H_2O into him, it would kill him or anyone else subjected to that treatment in hours. That would be the result of ingesting any commodity, be it a vitamin, good food, bad food, fluoride sodium chloride or anything else. Anything is poisonous if we subject ourselves to enough of it. No one is suggesting that we do any more than put one part per million of fluoride in the water.

Mr. Fairbairn *rose*——

Mrs. Currie: I shall give way to my hon. and learned Friend in a moment.

Most of the medical issues which have been raised have been introduced by those who have other objections to the adding of fluoride to our water. That does not absolve us from continuing to be vigilant when dealing with health matters. We must not be complacent.

Mr. Fairbairn: All the poison that my hon. Friend suggested I would happily take rather than be spreadeagled on the Floor of the House by her.

Mr. Michael McGuire (Makerfield) *rose*——

Mrs. Currie: We have heard other arguments that are much more serious—for example that people can obtain fluoride in other ways. The trouble is that they do not. The families who need help most, whose diet is the most deficient and who take no notice of health education, are exactly those who need the assistance of passive medication, such as the fluoridation of water. It is the simplest, cheapest and safest method that is available to us. It is certainly the cheapest when we take into account the cost of doing nothing. It is the safest when we take into account that we know that there is control and we know how much fluoride is in the water. We do not know, of course, how much is being taken in other forms.

It is argued that we should not add flouride to our water and that we should drink it in its natural state. My home is on a hill in Derbyshire and there are many pure spring waters in the area. I would not touch any of the water that comes out of the ground in my area with a barge pole. I would not touch it in its natural state. The water is cleaned and purified, especially that from the Trent, which passes through all the local power stations, which have been working overtime recently. We chlorinate the water and we would be remiss if we did not. In London we would all have died of dysentery and cholera a long time ago if

[Mrs. Currie]

we had not treated the water effectively all the time. To fluoridate our water provided that the local people want it, seems to me an extension of public responsibilities.

Mr. Robin Maxwell-Hyslop (Tiverton): Is my hon. Friend saying that fluoride should be introduced only if the local people, who will drink it, are given the opportunity of saying whether they want it, as opposed to the non-elected water authority meeting in secret without the presence of the press? Is that her proposition? That is what she is saying.

Mrs. Currie: As I understand it, the main recommendations and decisions will come from the health authority as well as from the water authority. I was a member of a health authority, and I am aware that the authorities are represented by a number of local representatives, who take their duties extremely seriously. They are councillors, who are elected representatives. When I was a member of a health authority, one of its representatives was a member of this place, and that was Miss Sheila Wright, who represented Birmingham, Handsworth.

It is said that we should not go in for mass medication because it is not morally justified. That is the most powerful of all the arguments and I would much rather we did not need to medicate our water. However, it seems that it is necessary to balance two undersirable events. First, there is the undesirable event of attacking people's freedom by medicating for everybody. The alternative is to risk lives, especially the lives of children. Children used to die under general anaesthetic, but it is now generally unknown for a child to die under dental treatment in fluoridated areas. That applies to adults and children. My right hon. and hon. Friends who represent Birmingham constituencies will recall that not long ago there was a scandal in Birmingham when two patients of a dentist died under anaesthetic. I accept that they needed better treatment, but they would not have died if they had not had bad teeth.

Every attempt at medical and dental intervention carries a risk for people. For some it is a high risk. We have a responsibility to reduce that risk, if possible, in much the same way as the House did previously when it agreed to compulsory inoculation against smallpox, which resulted in the eradication of that disease. We can eradicate dental caries as a disease.

My hon. and learned Friend the Member for Perth and Kinross said that a medication should benefit a particular individual. We must balance the cost of treating dental disease, and that cost bears down on all of us. If it is undesirable to reduce freedom, it is undesirable also to spend public money in large quantities unnecessarily. Our freedom is reduced when large amounts of tax are lifted from our pockets and those of our constituents to pay for the treatment of dental disease in other people which is readily avoidable through fluoridation. For those reasons, we should support my right hon. and learned Friend the Minister for Health.

10.15 pm

Mr. Keith Best (Ynys Môn): My hon. Friend the Member for Derbyshire, South (Mrs. Currie) speaks with great passion on this subject, as she does on all matters. Although some of those who are against the artificial fluoridation of water supplies are sometimes accused of being emotive in their arguments, I am confident that that criticism will not be levelled exclusively at them but will be levelled against some who are in favour of artificial fluoridation. My hon. Friend is so vivacious an advocate that I am sure would never be in danger of dying under a general anaesthetic or of being rendered unconscious under one.

Unfortunately, I cannot agree with my hon. Friend the Member for Derbyshire, South. My right hon. and learned Friend the Minister for Health rightly said that in this Bill the Government propose to do no more than to restore the position to the status quo. He said also that he is perfectly satisfied that artificial fluoridation of water supplies inhibits dental caries and benefits the general population. I do not doubt that my right hon. and learned Friend generally believes that that is so. I have little doubt that fluoridation of water supplies can play its part in preventing dental caries. All hon. Members would like that to occur. Just because those points are true does not mean that hon. Members are not entitled to offer their views on whether they believe it is right that there should be an artificial mass addition of fluoride to the water supplies.

I shake my head in disbelief when I hear a Conservative Government — some have said, the most Right-wing Conservative Government this century — propose legislation to add to the water supply an industrial poison, as it is described in the 1976 report of the Royal College of Physicians, which comes from industrial wastes and is said to be necessary to sustain life. I shake my head in disbelief also when I hear the Opposition support the judiciary, the Government and the medical professions. I wonder whether the House has gone topsy-turvy.

The Government are satisfied that fluoride is safe. If so, why do the Government offer an indemnity? Why would health authorities not recommend the artificial addition of fluoride to water supplies if there was no indemnity? That is a simple question, but the answer is more complicated. I hope that my hon. Friend the Under-Secretary of State for Health and Social Security will address his mind to that problem. If the Government are certain that fluoridation is safe, there should be no need for an indemnity. If they are not, it should not be added artificially to the water supply. That proposition is wholly true and unchallengeable.

Fluoride is cumulative. What is a safe dose? I challenge any hon. Member to ask any doctor or dentist what a safe dose of fluoride is. There will be no answer because no doctor or dentist would know the total amount of fluoride ingested in a patient. Moreover, fluoride is a noxious substance.

Contrary to what many hon. Members said, fluoride does not occur naturally in water but is picked up by water in its passage through the ground, or down a river, such as the Thames. We then drink it in our tea in the House of Commons Tea Room, as the hon. Member for Brent, South (Mr. Pavitt) vividly explained. We are told that fluoride is beneficial to the population. I hope it is, because everyone in a fluoridated area must drink it. They have no choice. However, I am not aware that it does a great deal of good to pensioners with false teeth — perhaps I shall be told differently — or to patients suffering from a renal complaint. They are told in a cavalier way that it does not matter if they live in a fluoridated area because they can put a filter on the tap.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): I have listened to my hon. Friend's remarks with great care, and I am anxious not to cause unnecessary alarm among the many patients who receive renal dialysis. Does my hon. Friend accept that we offer standard advice through the National Health Service to all those charged with maintaining renal dialysis units, which is that they should screen the water for products which would harm those with renal failure, including aluminium, fluoride and other substances? There is a great range of substances in water. My hon. Friend must accept that we ensure that substances which would adversely affect dialysis patients are not present.

Mr. Best: I accept unreservedly what my hon. Friend said. He confirms my point that fluoride should not be taken by those who suffer from renal complaints.

Lord Jauncey, in his judgment, said that the addition of fluoride would

"necessarily involve a restriction on the freedom of choice of the individual, who would have little alternative but to consume the fluoridated water whether he likes it or not."

If hon. Members are so concerned about compelling people to take preventive medicine—I use that term because it seems to be the most neutral term in use during the debate—why do we not ban smoking? Smoking undoubtedly causes lung cancer. No hon. Member would disagree with that. Yet for some extraordinary reason we allow people to go on killing themselves and to die of lung cancer at great cost to the NHS, by not banning smoking. What is the reason for not banning smoking?

Mr. Jerry Wiggin (Weston-super-Mare): People like it.

Mr. Best: My hon. Friend says that people like it. It may not be wholly dissociated from the fact that people should be allowed to smoke if they wish, having had the dangers of it pointed out to them. The alternative is to say that nobody should make a conscious decision about whether to do or not to do something which may be harmful to health. I do not think that anyone in this House would want to live in a society where that choice was removed altogether.

I do not wish to introduce a note of levity into the debate, but many people suffer from indigestion and we do not add antacids to the water supply. It would be wrong to do so, for not everyone suffers from indigestion. But it is also true that not everyone in an artificially fluoridated water area suffers from dental caries. What about the people who do not suffer from dental caries and are not likely to do so?

What are the criteria for the addition of a substance to the water supply which is designed not to make it potable, not to remove poisons which would otherwise be harmful to the body, but deliberately and positively for the purpose of preventive medicine? We are entitled to ask what are the criteria for adding any such substance to the water supply.

Let us restrict the argument to water, as that is the one substance that we must drink to sustain life. I do not believe that the House has addressed itself to that question tonight. I do not believe, with respect, that the Government have addressed their mind to it. I am not for one moment saying that this might be regarded as the thin edge of the wedge, so that someone might suggest that if a tranquilliser could be added to the water supply it would be highly beneficial to society because it would reduce the incidence of violence and other anti-social behaviour. I am not suggesting that that might be regarded as a precedent.

Mr. Fairbairn: Why not?

Mr. Best: I suppose some might regard it as a precedent. That brings me to the point that hon. Members have not yet addressed their minds to the criteria for the addition of some substance to the water supply.

Mr. Sydney Chapman (Chipping Barnet): Surely the answer is that fluoride already exists in water. If my hon. Friend is saying that it should not exist to the extent of more than or up to 1 mg, is he also suggesting that the Government should legislate to take natural fluoride out of the water supply in order to conform with his wishes?

Mr. Best: I am grateful to my hon. Friend for his question, because it seems now that the proposition is that anything that exists already in substances that we take must be left in because it is accepted as a matter of history. I do not regard that as either a laudable or a responsible view for this House to take.

Mr. Edward Leigh (Gainsborough and Horncastle): Is not the inference that just because a substance occurs naturally somewhere, it should be imposed on everyone everywhere? Can that be right?

Mr. Best: My hon. Friend knows my answer to that question, and he must address it to those who wish the Bill to get a Second Reading.

Much has been said about local choice. An opinion survey in Anglesey, the area that I have the privilege to represent, made on 30 November 1983 by the Gwynedd technical college, demonstrated that 26·5 per cent. of persons questioned were in favour of the artificial addition of fluoride to the water supply, and that 53·6 per cent. were against. My own survey of my constituency showed that 30 per cent. were in favour, but 45 per cent. were against.

I am not a populist. I do not believe that it is the function of hon. Members merely to reflect the whims of the local population, because our job must be to exercise our judgment, but I hope that all hon. Members will understand the sense of frustration that is experienced by the people living in my constituency who, time and again, demonstrate their opposition to having fluoride artificially added to their water supply but who can make no democratic decision about it. That is because there is no capacity within existing legislation for such a decision to be taken.

There is, of course, the referendum. I suggested the idea of a referendum on 21 December 1981. If this is to be a matter of genuine local choice, should not the people of the area make that decision and speak their mind—or, if not them, the directly elected borough or district council? That is no good to those who want fluoride added to the water supply of Anglesey because the local borough council is against the artificial fluoridation of water supplies. What, then, of the consumer watchdog of the National Health Service, set up by legislation to watch over matters in the NHS — the community health council? That is no good, because the community health council is against the artificial fluoridation of water supplies as well.

[Mr. Best]

My right hon. and learned Friend the Minister for Health recognises that this is an ethical question. It is not the same as the death penalty, on which I am opposed to a referendum because I believe that the punishment of offenders must remain the prerogative of representatives in the House. I am not sure that even a referendum, which would be binding on a dissenting minority, is the right answer. Ultimately, surely the proposition comes down to this. Preventive medicine must remain a matter of individual choice, of encouragement and exhortation perhaps, but of individual choice, and not compulsion.

10.32 pm

Mr. Michael McGuire (Makerfield): I apologise for the fact that I have not heard many of the speeches that have been made.

I am opposed to the Bill. I hope that those who spoke in favour and who want to intervene in what I hope will be a short speech will make the points that they think will convince me. Sometimes we come into the Chamber in one frame of mind and listen to a speech, and it changes our point of view. I am not saying that I have such a tremendous command of language and oratory as would make those in favour of the Bill change their mind, but I hope that those who want to will intervene, and briefly. The hon. Member for Derbyshire, South (Mrs. Currie) did not give way to me in her speech. I hope that hon. Members will intervene to try to convince me that the Bill should go through. I believe that it should not. It is thoroughly bad, and on one sound principle alone.

I cannot pronounce the new name for the constituency that used to be called Anglesey. The fixed points in the House have gone since we changed so many old and well-loved names. I am sorry that I cannot refer to the hon. Gentleman's constituency by name. He dwelt at length on preventive medicine and whether it is the duty of the State to take certain decisions that it believes will make the citizens healthier—in this case, we are concerned with their teeth. I would be in favour if it could be proved that, if fluoride was put in water people who ingested it, especially children, would have a magnificent set of teeth. Nobody is suggesting that, however. The proponents of the Bill say that if flouride is added to water in the suggested proportions young people's teeth will be saved from decay, to the extent that one or two teeth will be saved in their lifetime, and they will not need to have three or four fillings.

Dr. M. S. Miller: It is not a matter of one or two teeth. Depending on the age at which it begins to be given, which should preferably be during the mother's pregnancy, 60 per cent. or more of fillings will be avoided and in some instances it will save the person's teeth throughout life.

Mr. McGuire: I am interested to hear that, as none of the proponents sending out literature about this has ever made that claim. But even if my hon. Friend's claim were proved, I should still oppose compulsory fluoridation because it is not for the State to take that decision. Vaccination is not compulsory, although the benefits are far greater. There are advertising campaigns to persuade people to have their children inoculated, but there is still freedom of choice.

Is my hon. Friend suggesting that if people take fluoride they will not have to take care of their teeth?

Dr. Miller: No.

Mr. McGuire: Of course not. If people take fluoride but neglect their teeth, they may delay the onset of caries for a short time, but it will not prevent it. Whether the water is fluoridised naturally, artificially or not at all, if people do not pay attention to dental hygiene they will have bad teeth and they will need fillings and extractions. It is convenient to argue that in some areas fluoride occurs naturally in the water, but has anyone analysed all the other naturally occurring constituents in the water?

I sense that many Conservative Members intend to oppose the Bill and they are right to do so. The soundest principle on which to oppose it is the fact that it is compulsory mass medication. Anyone who argues that that is not so is guilty of sophistry of the worst kind. People are given no choice in the matter.

On a lighter note, if we wished to try to eradicate common complaints by compulsory mass medication we should consider ailments such as constipation. No one has seriously suggested that that should be dealt with nationally, although it affects far more people. The same could be applied to smoking, dieting, and so on. The State would end up acting as nanny to all of us. Nobody wants that.

No case has been made for compulsory fluoridation beyond the fact that it will delay the onset of caries and the extraction of teeth for a short time. No one has suggested that if people do not pay proper attention to dental hygiene they will not suffer the consequences, whether there is fluoride in the water or not.

It is no part of the duties of the House of Commons to give the green light—which is what the Bill will do—to a proposal that makes it appear necessary to add fluoride to water and to suggest that neglect of the people is involved if it is not added. We should oppose the Bill on the sound principle of opposing mass medication and that it will not help the majority of people. Once past the age when second teeth are formed in childhood, fluoridation will not help. The case for it has not been made. We should oppose the Bill, and in doing so we shall do a very good job indeed.

10.40 pm

Mr. Robin Maxwell-Hyslop (Tiverton): There are two points to the Bill—one of principle and the other of detail. On the point of detail, no one seriously challenges the fact that the presence of fluoride in water has a beneficial effect on dental caries. However, that is not the point at issue.

Certain contraceptive pills were withdrawn not because they were inefficient contraceptives but because they had side-effects that were wholly unexpected by those who originally passed them as safe and recommended them for general use. The reason that Dalkon intra-uterine devices are now not only withdrawn but the manufacturers are desperately trying to find people who still have them in —some women do not know that they still have them— is not because they are inefficient contraceptives but because they have been shown to have harmful side-effects that were not anticipated by those who recommended them. Let us think of the position if they had been fitted —or, with contraceptive pills, administered—compulsorily, because that is the analogy.

The question is not whether fluoride—either naturally in the water as it percolates through the ground, or artificially added — is an instrument in delaying or preventing caries. The technical issue is unanswerable except over a much longer period of time than has been allowed to date. What are the side-effects? That is the large question mark. No amount of evidence about the prevention of dental caries gets rid of that question mark.

Arguments about whether elected local bodies should have the right to impose this medication are not ones of substance because the public water supply system is not conterminous with local authority boundaries. Therefore, that is not a practical consideration. It is the right of the

[Mr. Robin Maxwell-Hyslop]

individual to know what is being administered to him or her or to their children, and to have the right to control that.

There are peripheral questions. I put my vote where my mouth was when I took the view that water authorities should meet with the press present, but the water authorities that are party to the proposal meet in secret. They are not elected bodies. My hon. Friend the Member for Derbyshire, South (Mrs. Currie), who has now left the Chamber, pretended that because she was a member of an elected body and seconded by it to the health authority, in some way she was elected to the health authority. Of course she was not. Nor are people elected to health authorities today. But, even if they were, it does not overcome the point of principle. I am the first to admit that I have changed my stand on this matter during the past 15 years.

When I was first contacted by members of the dental and medical professions, about 15 years ago, I became convinced of the efficacy of fluoride as an anti-caries agent, and it was on that that I focused. Because I thought that it would be an excellent thing if people did ingest this substance, to reduce dental caries, I took, without conscious decision, the further step of thinking that it should be administered to them by the public supply system. I did so without focusing on the question of principle, which concerns the right of some exterior body to administer in a necessary substance something that may have demonstrated beneficial effects in one sphere, but the full effects of which cannot be known over a limited period. Why in the water? Why not in the air or in trains, now that in many trains one cannot open a window? Why not in public places of many kinds, such as shops and offices? Why not administer gaseous substances in the air?

Dr. M. S. Miller: Do not be silly.

Mr. Maxwell-Hyslop: Why it is silly?

Dr. Miller: Does the hon. Gentleman understand what it is all about? Fluoride cannot be administered in the air. It cannot be controlled in the air. It can be controlled in water to the extent of one part per million. Can you get that into your head? [HON. MEMBERS: "Order."] I am sorry, Mr. Deputy Speaker. The hon. Gentleman cannot understand that one cannot do this in the air.

Mr. Maxwell-Hyslop: I am referring not to fluoride but to other substances.

Dr. Miller: We are not talking about other substances.

Mr. Maxwell-Hyslop: Perhaps it is a substance that would assist the hon. Gentleman with his hearing, which should be voluntarily taken by him, but I would not recommend that it should be compulsorily administered, whatever public good might follow from such a course of treatment.

Both the chairman and the chief executive of the South-West water authority have assured me, not only verbally but in writing, that there is no conceivable known way by which they can restrict the administration to one part per million. There are so many different sources of water in the south-west — bore holes, extractions from rivers, springs and reservoirs — which feed at different speeds into common mains and sometimes into local mains, that there is no way in which the authority can ensure a low limit such as this.

The explanatory memorandum says:

"Effects of the Bill on Public Sector Manpower

The Bill has no effect on public sector manpower."

Are water authorities not public services? They must be, because their borrowing is being restricted because it counts against the public sector borrowing requirement. Is it suggested that the fluoride administered from 20 or 30 different sources in one water authority should not be monitored? It will have to be monitored, but it is suggested that it will not take extra manpower to do this and to control and correct the level when the intensity gets too high. How can the Bill have no effect on public sector manpower, unless it be that the words on page 2—are they sinister or benign?

"so far as is reasonably practicable"

have the answer. Does that mean that ensuring that the level does not go over 1 mg per litre will happen only as long as no extra manpower is involved?

Sir John Page: I have listened with great patience to my hon. Friend trying to make an enormous soufflé from one bad egg. I do not wish to go into this in too much detail, but the reason is that already so many chemicals and processes happen to water before it comes out of the tap that one more tiny drop would be of infinitesimal importance.

Mr. Maxwell-Hyslop: My hon. Friend has missed the point. We are talking here about fluoride. Why does the Bill say, only of fluoride, that it must be maintained at 1 mg per litre if it does not matter if it is much more?

Sir John Page: It does not say that.

Mr. Maxwell-Hyslop: It does say that. Clause 1(5) states:

"Any health authority making arrangements with a statutory water undertaker in pursuance of an application shall ensure that those arrangements include provisions designed to secure that the concentration of fluoride in the water supplied to consumers in the area in question is, so far as is reasonably practicable, maintained at 1 mg per litre."

Perhaps my hon. Friend has not read the Bill. Why does it say that if it does not matter whether the level is maintained there?

Sir John Page: I know that it was a mistake for me to have interrupted my hon. Friend. I was answering his question about manpower. As to the phrase,

"so far as is reasonably practicable",

there will be pluses and minuses. Control can be maintained, but there must be a tiny plus or minus on either side — [Hon. Members: "How much?"] Perhaps 0·1 per cent. or something like that.

Mr. Maxwell-Hyslop: But it does not say 0·1 per cent. It says nothing except for the meaningless phrase,

"so far as is reasonably practicable".

That is a point of substance, not of trivia. If

"so far as is reasonably practicable"

means without addition to public service manpower, that is a much wider margin than if one takes on, as one does for many statutory purposes, additional enforcement staff to ensure that the new conditions imposed by statute are adhered to. But when the explanatory memorandum says that there will be no expansion to public service manpower, how does one then read the qualification,

"so far as is reasonably practicable",

except as meaning so far as is reasonably practicable without taking on additional manpower to check the concentration, to ensure that water supplies with too high a concentration are cut off, and to take corrective action on the input? Where there are many sources of water supply, especially in conditions of drought, when water is turned off for some hours in a day, which causes many different concentrations in pipes, this is not just a theoretical consideration but a highly practical one.

The point of principle has nothing to do with whether it is a small or large baby—with whether it is 1 mg per litre, one part per million or 100 parts per million. The argument also falls on the point of detail that it cannot be enforced at the level declared in the Bill without a considerable increase in manpower to monitor it and to take corrective action if it goes over the permitted limit, even though the amount by which it can go over the permitted limit is not stated in the Bill, because of the woolly phrase.

On the point of principle and on the point of practicality, the Bill ought not to proceed. The Second Reading of a Bill is not about its detail, but about its principle.

Dr. M. S. Miller: Will the hon. Gentleman give way?

Mr. Maxwell-Hyslop: The hon. Gentleman did not listen previously and, as he has not taken medication since then, I have no reason to believe that his hearing has improved.

Dr. Miller: The hon. Gentleman must realise that no attempt has been made to mislead the public or the House. The Bill recommends 1 mg per litre, but one can be sure that 2 mg, 3 mg, 5 mg or 10 mg would not do any harm. There is a vast margin of safety. The reason why 1 mg is suggested is that it is sufficient. The substance costs money, and there is no point in adding 10 mg per litre if 1 mg does the job.

Mr. Maxwell-Hyslop: Were that the real reason, rather than a spurious reason thought up by the hon. Gentleman on the spur of the moment, the Bill would refer to a minimum of 1 mg. The hon. Gentleman does argue that it does not matter if there is much more, but there must be 1 mg per litre to do what is intended. The principle is unaffected by whether it is 1 mg or 10 mg. The practice is certain: to monitor and enforce limits will require manpower, and it should not be stated that it does not. As it has been stated that no manpower is required, we must read the phrase

"so far as is reasonably practicable"

as meaning that the stated quantity is not to be adhered to in practice and is not to be monitored in such a manner that corrective action can be taken to prevent people from receiving excessive doses, as opposed to our knowing that people have taken excessive doses after they have done so.

The point of principle remains and it is as true of air as it is of water. If this is permissible with water, it is permissible with air, and with other things that people necessarily and without choice ingest. That is the point of principle.

Let there be as much health education as would satisfy the most exacting hon. Member; let there be as much exhortation; let supplies of preventive or therapeutic substances be made available at public expense. All that is different from administering compulsorily substances that people do not wish to ingest—for reasons that may be good or bad, but which are decisions that they are at liberty to make about their own bodies and persons.

10.59 pm

Mr. Gerald Howarth (Cannock and Burntwood): It is a pleasure to follow my hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop), who is a master of detail in these matters. I am pleased to have him as an ally rather than as a foe.

We all agree that the Government were right to allow a free vote. We have had an interesting, stimulating and informed debate—at least, the opponents of the Bill have been informed. It has been an interesting debate on the other side too.

This is a matter of great concern to my constituents. The Cannock Chase district council is an elected body, although there are regrettably not too many Conservatives on it at present. It has declared itself hostile to the compulsory fluoridation of the water supply. I share its concern. I also have a particular interest in this subject, as a sufferer. I have been a patient at the Eastman dental hospital for the past two years, as I suffer from periodontitis. It is not caries, but is a dental disease. Therefore, I may have more interest than usual in this issue, and can speak with some authority on it.

If the hon. Member for Makerfield (Mr. McGuire) did not regard his speech as an oration, many of us certainly did, and we look forward to hearing more from him in the spirit in which he has approached this subject. He rightly identified the question of principle involved, or the philosophical arguments, but there are also medical arguments. I shall deal with them first. Medical opinion has differed for years over whether the addition of fluoride to water supplies is a good way of reducing the incidence of dental decay, particularly among children. I understand that the idea of giving children supplementary fluoride to prevent dental caries dates from the 19th century, and was conceived after the discovery of fluoride in a mammoth tooth in 1803.

Sadly, history does not relate which toothpaste the mammoth used or whether it was alive when it was discovered. But since then medical opinion has remained divided on how best to emulate the mammoth. Fluoride, as has been mentioned, is a poison, and we are talking about adding a poison to the water supply in quantities that exceed those already existing. Although many scientists and dentists believe that it can help to reduce dental decay, there are clearly those who do not agree with them.

It is argued that although fluoride may help children for a limited period of their growth, it is injurious to the body and is a possible contributory cause of certain diseases, including—it has been suggested in some quarters—cancer. Indeed, dentists warn that there are positive dangers to young children from the excessive use of fluoride toothpaste. I think that those dangers will be exacerbated if fluoride is also to be added to the water supply.

Mr. Winter, of the department of children's dentistry at the Eastman dental hospital, has made the following point:

"Recent concern has been expressed about the possibility of young children ingesting sufficient fluoride toothpaste to result in dental mottling"—

which we have already heard is a disease in itself—

"This could happen by over-enthusiastic loading of the toothbrush by parents, or by young children gaining access to

[Mr. Gerald Howarth]

toothpaste which they eat freely. While there is no direct evidence of dental fluorosis from the ingestion of fluoride toothpaste alone, it may contribute to the problem, especially if children have been given fluoride supplements since infancy."

Mr. Winter goes on to say:

"Further research is certainly required to clarify this matter."

That is at the heart of the point made by those of us who oppose the measure. Further research is still required. We do not believe that the subject has been fully explored.

In this debate Lord Jauncey seems to have been used much like the Bible. He has been quoted by all sides. But among other things, on page 79 he said:

"Counsel for the Petitioner submitted that I could only reject the epidemiological case if I were satisfied that there was no possibility of fluoride causing cancer. I could not be so satisfied on the evidence in this case, and indeed proof of such a negative would be very difficult if not impossible."

Another argument which he advanced was that fluoridation would probably cause dental fluorosis and mottling of the teeth, the first sign of fluoride poisoning. This is a medical opinion and proves that the weight of evidence is not wholly on one side.

Fluoridation can also render water too impure for use in kidney machines. On that Lord Jauncey said:

"I am not going so far as to state that no chronic renal failure patients with a kidney function reduced to 20 per cent. or less will ever suffer any harm from drinking fluoridated water. This is a possibility."

He did not say that it was likely, but he did say that it was a possibility.

Lord Jauncey continued:

"I consider that the Petitioner is well-founded in submitting that drinking water fluoridated to one part per million can, in some circumstances, cause enzyme inhibition."

Enzymes are vital to life's process, particularly for young children and the unborn. The inhibition of enzymes can cause birth defects, infant mortality and genetic damage. One of the major causes of cot deaths is a deficiency of oxygen-carrying enzymes. These are inhibited by fluoride. This is a possibility and no one knows definitely whether it is not so. The highest incidence of cot deaths in the world is in Australia, which is completely fluoridated. There is a possible connection.

I do not argue that evidence exists that fluoride causes damage. I argue that there is evidence that the case is not proven, as my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) said.

In 1977, Chile ceased fluoridation because of the clear increase in infant mortality in areas subjected to fluoride in the water. Sir Arthur Amies, emeritus professor of dental medicine and surgery at the University of Melbourne, said:

"The case against fluoridation medically requires only such evidence as is necessary to support a reasonable doubt. Where the public is concerned, no reasonable doubt can be ignored, and the doubt about fluoridation is more than reasonable, it is considerable."

I am not a medical expert in these matters. I might benefit from further advances in dental medicine. However, the duty of the House is to examine the evidence worldwide. I do not believe that the case is proven. I do not believe that we have reached total certainty in medicine.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): The law of Scotland would have allowed Lord Jauncey to return a verdict of not proven, but he did not do that. I shall not bore my hon. Friend by reading out his conclusions, but there is no doubt about them. My hon. Friend does Lord Jauncey a disservice in relation to his judgment.

Mr. Howarth: I am grateful to my hon. Friend. The House will be grateful for the fact that he does not intend to read out the whole judgment by Lord Jauncey. I am aware of Lord Jauncey's conclusions, but we must take cognisance of the points that emerge from those conclusions. The case is not 100 per cent. proven.

Mr. John Patten: My hon. Friend has drawn heavily on supposed evidence from Australia. Will he recognise that the supposed link between cot deaths and fluoride was closely examined by the health and medical research council in Australia, which in 1979 definitely found that there was no such link? Secondly, will my hon. Friend recognise that Sydney, which has had fluoridated water since 1968, has the lowest incidence of cot deaths anywhere in that continent?

Mr. Howarth: I am grateful to my hon. Friend. The fact is that Australia does have the highest incidence of cot deaths. However, I accept my hon. Friend's point and I am sure that the House will appreciate his having taken that opportunity to make it.

My principal point is that made by the hon. Member for Makerfield and several of my hon. Friends. Even if the medical evidence were completely in favour of the addition of fluoride, there remains a deep-seated philosophical argument against it, as advanced by my hon. Friend the Member for Ynys Môn (Mr. Best). That argument is akin to the seat belts argument, which has also been mentioned. If I had been a Member of the House at the time it considered whether to make the wearing of seat belts compulsory I would have voted resolutely against it. I wear seat belts everywhere I go in a car, but I am resolutely opposed to making people wear them against their wish. That is not part of Conservative philosophy, nor is it part of Conservative philosophy to put medicines in the water supply.

I shall not go further into the arguments about the addition of chlorine, and so on, which is to make water pure, and the addition of something which has been added for one specific purpose only, which is to resolve the problem of dental decay.

Mention has been made already, somewhat unfairly I am sorry to say, of the confirmation that was given some years ago by my hon. Friend the Under-Secretary of State; no doubt he will refer to that when he replies.

Dr. M. S. Miller: If, at some time in the future, a group of scientists were to say that for the past 20 or 30 years they had been working on a substance which, if added to water in small quantities, reduced the incidence of coronary thrombosis by 10, 20 or 50 per cent. but which many experiments had shown did not produce any ill-effects, would the hon. Gentleman look favourably on introducing that substance into the water?

Mr. Howarth: That is a hypothetical question. It would depend on whether there were other means of treating the ailment or whether the treatment could be taken in some other form.

The fundamental point of principle is that if something were added to the water supply which helped 10 per cent. of those who suffer from coronary thrombosis, one would have to examine the other options. If there were none, I

should have to consider that. I hope that I do not have a closed mind on such matters. However, a fundamental principle is about to be breached, and I do not wish to be a party to that.

If the measure goes through, people will not be able to decide for themselves. Henceforth, they will have no choice but to take fluoride in the drinking water and with their cooking.

Moreover, fluoride has side effects, or at least some feel that it does. We do not know how many suffer from side effects caused by fluoride in the water supply. All I know is that one of my constituents feels that he has suffered from fluoridated, contaminated water in Wales. He was ill as a consequence. Others have had similar experiences. I suppose the advice to him would be to move his holiday home from Wales to Northern Ireland which is excluded from the Bill and continues to enjoy a water supply unfettered by the compulsory addition of fluoride.

Those who believe that fluoride helps to reduce caries have plenty of alternative options open to them. They can use a mouth rinse, or toothpaste, 98 per cent. of which contains fluoride. People have a choice. I can still buy toothpaste that does not contain fluoride if I wish. Or they can take the tablets which I have here in my hand. My wife and I gave those to our children because we believed that that was the right thing to do although we have stopped doing so because we now have doubts about the matter. But that decision was up to us as parents with an informed view. Incidentally, if a child took all the tablets in one go, serious danger could result. *[Interruption.]* Whatever is said, this is a medicament being put in the water supply.

There is the possibility that milk can carry fluoride. The Borro Foundation provides that service, and when I asked the Secretary of State for Education and Science if he thought there was a case for making that service available to school children—from choice, not compulsorily—he replied that he did not have that in mind.

We must not lose sight of the cost. It will cost £500,000 in the west Midlands to fluoridate the water supply. That money could be better spent increasing the amount of money available to dental hygienists. Indeed, a dental hygienist has done more for my teeth than fluoride tablets or any other medicament.

Trouble with children's teeth results from the fact that parents are not teaching them how to brush their teeth and what to eat. Too many parents buy off their children in the supermarket, giving them too many sweets, and we know how bad sweets are for teeth. The hon. Member for Makerfield pointed out that dental hygiene can resolve the problem. If people take all the fluoride in the world—in the appropriate doses, of course—but do not properly maintain their teeth, we shall still have a nation suffering from dental decay.

In my view, the medical case has not been proven beyond all doubt for a gigantic step of this nature, which will result in every person being obliged to consume fluoride, unless the water is taken out of a bottle. This is the thin end of the wedge. We shall be setting a dangerous precedent which we shall rue in the future. I hope, therefore, that hon. Members in all parts of the House will join me in voting against the Second Reading.

11.18 pm

Mr. Alan Williams (Swansea West): Even if fluoridation were proved to be absolutely safe and even if it were claimed to be a treatment for complaints far more serious, I should still insist that the House must address two major issues which overwhelm the poor arguments we have heard in favour of fluoridation.

The first is that of compulsory mass medication versus individual choice. The second is that of democratic decision versus bureaucratic imposition. I am surprised that the occupants of the Government Front Bench, unlike many of those sitting behind them, can have the effrontery to suggest that there is even a question to be answered on the issue of democratic versus quango decision, as they, after all, occupy their present elevated status after fighting two general elections on manifestos opposing quangos, insisting on the need to cut back on them and to diminish their authority. I assume, therefore, that the democratic argument is established.

We come to the argument of democratic choice. There is a major difference between adding substances to water to make it drinkable and adding substances for any other reason. It is difficult to explain why teeth complaints should be treated differently from any other form of medical hazard that faces us. A person can discharge himself from hospital——

Dr. M. S. Miller: I ask my right hon. Friend to be more careful about definitions. He has talked about drinking water, but any water is drinkable. He was referring to water that is safe to drink. Any water that is not fluoridated is not safe to drink.

Mr. Williams: We are talking about the compulsory and unnecessary adding of fluoride to drinkable water in areas where it is not added now, one of which I represent. I have opposed, successfully until now, the introduction of fluoridation in my constituency. As others have said, we no longer insist on vaccination, even against killer diseases. We do not force feed those who decide that they will allow themselves to die through starvation. We do not impose medication in any form on others unless a special legal process has been undertaken through the courts.

The hon. Member for Ynys Môn (Mr. Best) made a legitimate point when he asked why we had not banned smoking. It was suggested that we have not banned it because people like to smoke. I ask my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) to pass me a glass of water.

Mr. Frank Dobson (Holborn and St. Pancras): I pass my right hon. Friend a glass of water that is guaranteed fluoride-free—but I have spat in it.

Mr. Williams: It has been said that we should not ban smoking because people like to smoke. We have said to those who like to smoke marijuana that we shall not allow them to do so. We have recently imprisoned someone who liked taking cocaine. It seems that it was not his intention to peddle it to others but to take it himself, and we said that he should not do so. That argument is not tenable.

The hon. Member for Ynys Mon advanced legitimate and worrying arguments about precedent. If I had not been worried about the arguments before I heard what he had to say, and if I had not been convinced by his remarks, I would have been convinced of his case by the interjections that he had to face from those who disagreed with him. There were those who referred to antacids and said that we cannot add antacids to water. That is not the issue. The question is whether we would do so if we could. The imputation is that some hon. Members would. Should we

[Mr. Williams]

accept additives to water for certain heart conditions? There are those who say that they would if it were possible to do so. The list is lengthening.

The hon. Member for Ynys Mon asked about the possibility of adding tranquilisers and there was the interjection "Why not?". When it was suggested that there could be the introduction of certain chemicals via the air, the argument was raised that that would not be controllable. That means by implication that if it were controllable it would be acceptable.

What makes the avoidance of minor problems of the teeth——

Dr. M. S. Miller: Minor?

Mr. Williams: Yes, minor problems. What makes them more important in health terms than any other health consideration? If fluoride is so effective, the duty in a democracy is not to impose it on people but to make people aware of the benefits available to them by using fluoride in some other form. The duty is not to impose fluoride but to allow people to make a choice. I am opposed to the Government's proposal because it does not give people that choice.

11.25 pm

Sir Ian Percival (Southport): I have listened to almost the whole of the debate and with great interest, and on occasions I have been impressed by some of the arguments of those in favour of the Bill. However, having listened to it all, I come to the opposite conclusion, and shall vote against this legislation.

The subject with which we are dealing can be reduced to simple propositions. My right hon. and learned Friend the Minister for Health rightly described the process of adding fluoride to water as "preventive medicine" and "a public health measure". The purpose is to prevent damage to health which might be suffered by some people, and it is no good anyone seeking to put that any other way.

It is equally clear that fluoridation is compulsory mass medication. We must all drink water, so if the water in our area is medicated, we must drink it—whether or not it will do us any good and, indeed, in the knowledge that many people cannot possibly obtain any benefit from it. The question we have to face is whether any arm of authority should be given the right to subject all the people in a given area to that medication so that those who might benefit do so?

On the face of it, the most powerful argument was that unless we do fluoridate the water, young people might be denied the opportunity of having less trouble with their teeth. My hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) demolished most of that argument, so that I need refer to it only briefly. There are other ways of obtaining for our young people the benefit of fluoride's value — toothpaste, tablets, and so on. What is really being said is: "Because we do not trust parents or health authorities to do the right thing, we must step in and wet nurse them to ensure that the young people get that fluoride although millions of other people who do not receive any benefit will have to drink the fluoridated water as well." The House must face that issue in deciding whether to pass this legislation.

I have been a Member long enough to pay great attention to the views of the right hon. Member for South Down (Mr. Powell). I was impressed by the fact that, although the points I made are well known to him, he came to a different conclusion. I respect his concern for freedom of the individual. His concern is as great as that of any one else. The right hon. Gentleman nearly, but not quite, persuaded me.

Further, even if the arguments of the right hon. Member for South Down were sufficient to overcome those hurdles, there is one more which is conclusive. If any arm of authority were to be given the right to take this action, it must be a democratically elected body to which the electors can make known their views. If that body acts contrary to the views of the electorate, they can exercise control in the next election. Nothing short of that process will do. Since it is central to the Bill that a health authority is the body to which the right is to be given—and as that is by no stretch of the imagination an "elected body" —that consideration is fatal to the Bill. I shall vote against the Bill, and I urge my right hon. and hon. Friends to do so also.

11.29 pm

Mr. Edward Leigh (Gainsborough and Horncastle): I have a few questions to ask the Minister, which I can put in literally two minutes.

First, given that every human being is largely made up of water, has not every individual a right to drink water the treatment of which has been limited to cleaning? Secondly, is the fact that fluoride occurs naturally somewhere, an argument that it should be imposed on everyone everywhere?

Thirdly, accepting that water itself does not cause decay and that people cause decay to their teeth by their eating habits, what is the logic in saying that their eating habits should be exercised according to choice, and their drinking habits according to compulsion? Fourthly, are there not ample opportunities for individuals to apply fluoride to their own teeth?

Fifthly, if it is said that the decision to administer fluoride should be made locally, is it not right that water and health authorities are appointed and not elected? Sixthly, if fluoride is considered desirable, why should not other drugs, substances or chemicals be applied? Why should the line be drawn after fluoride? Where is the logic in that?

Seventhly, is it not a fact that far from fluoride benefiting everyone, it benefits only some, that is, children? Eighthly, is it not true that some doctors and researchers still have doubts about the safety of fluoride? Is it right, therefore, to make it compulsory?

Ninthly, is it not true that whether or not fluoride is dangerous, some people still consider it to be dangerous? Some of my constituents said to me that it affects their health. Why should they be forced to take it, even if their fears are groundless? Tenthly, do not people have the right to choose?

11.31 pm

Mr. Ivan Lawrence (Burton): I sense some restlessness in the House and know that all hon. Members wish to draw the debate to a conclusion. I hope that I shall not be criticised if I do not attempt to make the definitive anti-fluoridation speech.

I hope that that is not a misjudgment, because I cannot help feeling that the Government have misjudged the debate. The first misjudgment was that the debate would

achieve so little interest that it could begin at 7 o'clock and be expected to end at 10 o'clock. That may show that the Government are not with it regarding public feeling about the fluoridation issue. The second misjudgment relates to my hon. Friend the Parliamentary Under-Secretary who, at one stage, so misjudged his prospects that he thought he would never become a Minister, still less a Minister in the Department of Health and Social Security, and committed himself to a document supporting the anti-fluoridation case.

I shall address myself to some points that have recurred during the debate. The first relates to the question of the safety of fluoridation. It is perfectly clear that some people consider fluoride to be absolutely safe. The Minister for Health told us that a massive amount of research was examined by his advisers, whose conclusion, that there is no jot or tittle of reliable evidence to show that fluoridation is safe, and can be relied on. For every expert, scientist or doctor who has committed himself to writing to say that there is no evidence to suppose that fluoridation is unsafe, I can produce a doctor, scientist or expert who has produced a report to say that it is unsafe.

Furthermore, I draw the attention of hon. Gentlemen who support the Bill and say that Lord Jauncey in a lengthy case has come to the conclusion that it is safe, to three judges who have held the contrary view. In May 1982 Judge Ferris, hearing a case in Houston, said that artificial fluoridation of public water supplies

"may cause or may contribute to the cause of cancer, genetic damage, intolerant reaction and chronic toxicity, including dental mottling in man . . . and may aggravate malnutrition and existing illnesses in man."

That is the decision of a judge who heard the same kind of evidence from the same kinds of witnesses as produced the alternative conclusion from Lord Jauncey.

In Illinois, Judge Ronald Niemann said that

"the artificial addition of fluorides to the public water supply may have adverse health effects"

and that it

"exposes the public to a risk, uncertain in its scope, of unhealthy side effects".

That was in February 1982, and that is contrary to the conclusion reached by Lord Jauncey.

In Pittsburg, Pennsylvania, in 1978, Judge Flaherty said that

"artificial fluoridation of public water supplies is deleterious to human life and health."

He was considering precisely the same sorts of witnesses as Lord Jauncey considered.

That is not all, for at the end of a 210-page report, prepared for the Ministry of the Environment in the Province of Quebec in 1979 by an advisory committee which consisted of a number of experts, it was said of the fluoridation of water that it

"poses serious dangers to health and has not proved to be a very effective deterrent to dental caries".

I draw those judgments to the attention of the House, and I shall not weary the House with a long list of research projects throughout the world which indicate that fluoridation is unsafe for all kinds of reasons. I merely make the point that it seems to me that we in this House are not fitted to make judgments of scientific detail and that, where leading scientists cannot agree that fluoridation is safe, there must be a doubt.

The chlorination of water saves people from dying of typhus or some other illness, and one assumes that everyone is in favour of chlorination, but here we are dealing only with the reduction of dental caries in children's teeth. It may be painful, but it can be reduced by a number of other means, as we have heard.

We have heard an argument about whether fluoridation is beneficial. I do not propose to go into that in any great depth, but the figures produced by scientists to show that there has been a beneficial reduction in dental caries in children's teeth since the introduction of fluoride in this, that or the other area, can usually be interpreted in two ways.

Reference has been made to the Birmingham figures. All one can say about those figures is that since fluoridation there has been a threefold increase in the number of temporary fillings, and that in permanent fillings there has been neither an increase nor a decrease, despite many years of fluoridation.

Most of the conclusions that have been drawn in favour of the beneficiality argument have been on the most fallacious of all logical inaccuracies — post hoc ergo propter hoc: that because since the introduction of fluoridation, there has been a fall in caries in children's teeth, therefore that fall is due to fluoridation. The problem with that argument is that in some parts of Britain where there has been a comparable decline in dental caries in children's teeth—I cite particularly the Isle of Wight —there has been no fluoridation of the water supply. That leads one to the conclusion that it may well be that more attention to the brushing of teeth, more attention to diet, and more attention to the consumption by children of sugary substances, may have much more to do with the reduction of dental caries in children's teeth than the fluoridation of water has ever done.

I shall not labour the point, but I do not concede the argument — whether it has been made by my hon. Friends or Opposition Members — that it is beyond peradventure that the fluoridation of the water supply benefits teeth. It is very much a question of doubt whether it does. We know that it hardens the teeth. Whether it improves them or delays the onset of dental caries for longer than two years, which is what one scientific report in Britain said, one does not know, but it has not been proved beyond doubt.

My right hon. and learned Friend the Minister for Health began by telling us that he, his officials and his experts had been into the the question of fluoridation with such great care that we could rely upon them, because no stone had been left unturned and they had investigated every criticism that had been made. The trouble is that they have totally neglected to do any research into the one really important aspect of the effect of fluoridation — how much of a dose anybody will receive.

We do not all drink the same amount of water, at one part per million. We do not all drink beer or tea that has fluoridation. We do not all eat the same food that has been treated or processed with fluoridated water. There is at least one professor in this land who says that the cumulative effect of cooking and processing food in fluoridated water deposits a far higher degree of fluoride in the bones than anybody imagines. It is cumulative, and is not passed out of the system. Nobody knows how much fluoride we ingest through the air when we breathe.

Therefore, since it is conceded that fluoride ingested into the system at two, three, four or five parts per million can be highly poisonous, and since nobody knows or could possibly know how much fluoride there is in the system in any dose, which is an area of research upon which little

[Mr. Ivan Lawrence]

work has been done, that gives no confidence and should not inspire any confidence in us that a great deal of work has been done on one or two other issues.

We have discussed whether the measure is democratic, undemocratic or does not matter. I can only recount some experiences from my part of the country, where the Severn-Trent water authority and the South Staffordshire water works company decided, on the demand of the area health authorities, to fluoridate the water. The Government said that they would wish it to be fluoridated only with the consent of the local people concerned, but when the democratically elected Staffordshire, Shropshire, Gloucestershire, Herefordshire and Worcestershire county councils said no, that was ignored by the water and health authorities. When the district councils of Newcastle-under-Lyme, Stafford, South Staffordshire, East Staffordshire, Lichfield, Cannock Chase, Tamworth and Stoke-on-Trent in Staffordshire all said no, that was ignored by the water and health authorities, which knew better. Oswestry, North Shropshire, South Shropshire, Shrewsbury and Atcham, The Wrekin, and Bridgnorth in Shropshire all said no. Malvern Hills, Wychavon and Worcester in Hereford all said no. Whenever a responsible public opinion poll has been taken, which refers to matters other than saving the health of people's teeth, and people have been asked whether they want the water to be fluoridated, everybody has said no. There is absolutely no doubt that the overwhelming majority is against fluoridating the water.

There have been all sorts of bogus polls. We are taking the powers away from democratically elected people and giving them to water and health authorities, which not only are not democratically elected, but are removed from the locality. That is no answer. To pretend that that is democratic is bogus. We know perfectly well that representative bodies have been appointed in the USSR, but no one on the Front Bench would call that a democratically elected state. The argument about democratic elections and the will of the people is highly significant and militates against the Bill.

Finally, there is the question of freedom. When I first came to the House I could not have cared less about fluoridation. I then sat on the Select Committee and found that witnesses who assured us that fluoridation was beneficial and safe could not answer simple questions to show that they knew what they were talking about. Only then did I begin to smell a rat and to realise that there was more to this than we had been led to suppose. People who are worried about this are concerned, above all, whether it is an infringement of their freedom. In this context, it was sad to hear the right hon. Member for South Down (Mr. Powell) trying to justify a decision that he made many years ago on the ground that fluoridation was not mass medication. He and I have fought together in various battles, notably with regard to seat belts. I see no significant difference between the interference with individual' liberty in that case and in the individuals decision as to whether he or his children should take a particular medicine.

Others have argued that only a tiny bit of freedom is involved, so it does not really matter. That is exactly the argument that we had in relation to seat belts. There is no such thing as a tiny bit of freedom. There is the principle of freedom or no freedom. It is a seamless web, and degree is irrelevant. What matters is whether we are prepared to stand up for the liberty of the individual, which can so easily be eroded. If Governments are allowed to say, through the medical authorities, not "This is a medicine that we advise you to take " but "This is good for you and you must take it", who can say where that will lead? We should be saying, "This is good for children's teeth and, even though you are not a child, you will take it", and "Even though you have no teeth, you will take it, but that is only a little infringement of liberty because people without any teeth cannot possibly be harmed by it."

John Stuart Mill said that the individual is sovereign over his own body and mind, and I believe that the right hon. Member for South Down has made similar references to the importance of safeguarding small freedoms. If we infringe freedom in this way, where will the process end? Will doctors tell us that because in their view it is good for us to take vitamins — tranquillisers, stimulants, contraceptives or whatever — we shall have to take them? Once we give that kind of licence to administrators, very little of our freedom will be left in a very short time.

That is no doubt why of all the countries of Europe which might be expected to fluoridate their water, if it were as beneficial as we are told, only the United Kingdom and Eire do so. Austria, Greece, Norway, France and Spain do not. Belgium, Holland, Germany and Sweden used to do so, but have stopped, as have hundreds of cities in the United States.

I invite the House to accept the overwhelming strength of the arguments against the Bill and to vote against it. I remind my hon. Friends that it is a free vote. I hope that members of the Government will bear in mind, too, the sensitivities of those in the Government who in the past, on the question of freedom, if on no other issue, have expressed their opposition to the proposition in the Bill.

11.50 pm

Mr. Ray Powell (Ogmore): I do not intend to detain the House for long. I have listened to most of the debate and I think that most of the points at issue have been well and truly covered.

When I found myself in agreement with the hon. Member for Ynys Môn (Mr. Best), I thought I had better leave the Chamber and read my notes to determine whether I would be going into the right Lobby. I must say that I share the sentiments that he expressed. Indeed, many Conservative Members have expressed the right and proper view on the Government's introduction of this proposal.

A few questions have been overlooked. One is that the Bill suggests that the public water supply is maintained at 1 mg per litre. The Minister is a past Welsh water authority employee of 10 years' standing. I ask him how it is possible to measure that degree of fluoridation in a reservoir, or in the water supply at the outset, when there is a drought? Recently reservoirs in Wales dropped to 10 per cent. of their normal capacity, and there would have been great difficulty in measuring the degree of fluoridation in such a position.

Mr. John Patten: The Department of the Environment regularly checks the fluoride levels in reservoirs. I am advised that there is no danger whatever of adverse levels of fluoride creeping into water supplies either during a drought or at any other time.

Mr. Powell: That might be what the Minister says, but it is not my information from chemists within the water industry. There is great difficulty in ensuring that that can be done. The consumers will never have the guarantee that that will be the level of fluoride in the water that will come out of their taps. There are a number of reasons for that, and the matter needs further investigation.

The Bill suggests that no additional public expenditure will be involved. If we add a substance to a water supply, who pays for it? Will it come from public expenditure? If it comes from the water authority budget, that is obviously public expenditure.

The decision whether fluoride should be added to the water supply will be made either by the health authority or by the water authority. I have listened to a number of speeches, especially those of the hon. and learned Member for Burton (Mr. Lawrence), the hon. Member for Ynys Môn and my right hon. Friend the Member for Swansea, West (Mr. Williams). Most Conservative Members were opposed to quangos when the Government took power in 1979. Indeed, in 1979 the area health authorities and the water authority in Wales were far more democratic than they are today. Elected representatives of local authorities served on both bodies in 1979, but some of those positions have now been filled by appointments made by the Secretary of State for Wales. Therefore, it is not elected bodies that are making decisions. The hon. and learned Member for Burton covered a number of points when he asked how many elected councils—borough, district and county—that have opposed the adding of fluoride to the water supply have been overruled by quangos.

I shall vote against the Bill primarily because, as other hon. Members have said, it is the basic individual right of the individual, and the public in general, to determine whether or not to have fluoride in his water. Therefore, all hon. Members should be going into the No Lobby, to show the Government quite forcefully that we have no intention of allowing this measure to be passed.

11.55 pm

Mr. Frank Dobson (Holborn and St. Pancras): I have to tell my hon. Friend the Member for Ogmore (Mr. Powell) that I for one will not be going into the No Lobby, because I support this limited measure.

I start by declaring an interest—I do not like going to the dentist. I never did like going to the dentist, and I do not wish the pain and suffering of going to the dentist on anyone else and, above all, on children. I am firmly of the opinion that a vote for this Bill is a vote against a child's toothache. Those hon. Members who wish to vote against it should bear that in mind.

Some hon. Members came to the debate late and said that they had not heard arguments that fluoride in water does helpfully affect children's teeth. If they had listened to the Minister, to my hon. Friend the Member for Oldham, West (Mr. Meacher), or to other right hon. and hon. Members at the beginning of the debate, they would have heard a vast and adequate array of information, which should have convinced anyone who was prepared to be convinced. Although I may be tedious, I have no intention of being repetitious, and I shall not go through points that were made at the beginning of the debate. Those points are wholly convincing, and the evidence from a place as close as Birmingham is especially convincing to me and to anyone who looks objectively at the evidence. There have been massive improvements in the health of children in Birmingham, directly and only as a result of the introduction of fluoride into the water in and around that city. Those who spoke earlier showed that in the quantities proposed, fluoride is not injurious to anyone's health.

Fluoride, it has been said, is available from other sources. It can be applied by a dental technician or a toothbrush. It can be provided by tablets, as waved at us by the hon. Member for Cannock and Burntwood (Mr. Howarth). I note from the *Times* parliamentary guide that he is listed as an international banker. The well-off and well-informed international bankers of this world may have the information to lead them to give the tablets to their children to make them free from dental caries. The hon. Member for Cannock and Burntwood, and every other hon. Member, has an obligation to the children of the worse-off, and worse-informed, who are likely to get fluoride only through the water system. My hon. Friends should bear in mind the condition of the teeth of the worst-off in their constituencies before they vote against this limited measure.

Mr. McGuire: Is my hon. Friend seriously suggesting that if fluoride is added to water, those poorly off children can forget about dental hygiene—*[Interruption.]* I am asking my hon. Friend whether he believes that there is any benefit in neglecting dental hygiene.

Mr. Pavitt: It is a first step.

Mr. Dobson: For a start, if during pregnancy their mothers drink water with fluoride added to it, their milk teeth will be in a better condition. There is no other way of getting that fluoride into the system. Secondly, we all know — even my hon. Friend the Member for Makerfield (Mr. McGuire) knows—that the worse-off and the worst-informed members of the community have most difficulty in developing eating and cleansing regimes properly to look after their teeth. We must bear that in mind when we discuss this matter.

Some people believe that this is a trivial matter, and that because dental caries does not kill people outright—I understand that it can indirectly lead to death—it is not worth the candle. However, some hon. Members would jib even at the idea put forward by my hon. Friend the Member for East Kilbride (Dr. Miller): that if we discovered an element that was completely safe, and that prevented heart disease or cancer, we should put it in the water. Some hon. Members might change their minds if they heard of such an element, but others would still say that it represented terrible, compulsory mass medication.

Other hon. Members have talked about this being an invasion of civil liberties. I do not have the document with me, but I can refer hon. Members to it and they can look it up later: in the city records of Nottingham we discover that the self-same arguments that have been mounted tonight against the introduction of limited quantities of fluoride in water were used by the semi-elected lord mayor and several aldermen in the 19th century, when the first medical officer of health said that we needed a decent clean water supply to get rid of typhoid and cholera. Those people talked about it being an invasion of people's rights to provide them with something that would stop them getting sick, but it was a step forward from which we have all benefited.

Most Conservative Members would bow to the right hon. Member for South Down (Mr. Powell) as an ardent

[Mr. Dobson]

champion of civil liberties from a Right-wing point of view. They were rather disappointed when he, in his prophetic mood and reminiscent vein, rose tonight. I wish to reply in kind. The prophet arose and his erstwhile admirers flocked to hear him speak, but they were cast down and sorely disappointed, for verily did he speak in favour of fluoride and made it clear that he intended to pass by on the other side. The right hon. Member for South Down did confess that he was the Minister for Health who helped introduce artificial fluoride into water; he said that he was pleased that he had done it, and he believed it to be justified. That at least is clearly not a matter that he does not wish to be revealed by the operation of the 30-year rule on Government documents.

We have also heard the argument that there is no choice for those who drink water that has had fluoride introduced into it. But in the past, as part of the system of preventive medicine, we have given people no choice. There used to be no choice with some vaccinations. It was decided, rightly, under the powers given by the House, that some diseases could be eradicated only if vaccination were compulsory. Those schemes were successful. Contrary to what was suggested by some Conservative Members, that was not done only to provide protection for the person who was vaccinated. It was also intended to ensure that he or she did not pass on a disease to someone else. Some Conservative Members have claimed that we have had no system of preventive medicine in which there was no element of choice. That has happened; society has insisted that it was right to protect everyone by compulsory vaccination.

None of the opponents of the Bill can deny that a legion of chemicals are introduced into the water supply to make it clean and to stop the water making people sick. All that we are saying is that dental caries will be coped with if limited quantities of fluoride are put in the water.

I support one aspect of the civil libertarian case. I object to the idea of someone in authority introducing a substance into the water supply without public consultation or knowledge. It would be useful if the Government agreed to accept amendments in Committee to provide that if a health authority wished to recommend to its water authority that fluoridation should be introduced, that health authority's debate should take place in public and that the same should apply to water authorities.

Mr. Best: If the Government do not do that, will the hon. Gentleman vote against the Bill?

Mr. Dobson: No. If Conservative Members are so worried about that aspect of water authorities' activities, I hope that they will vote for the Water Authorities (Meetings) Bill which has been introduced by my hon. Friend the Member for St. Helens, South (Mr. Bermingham).

The Bill before us is a limited measure. Many people strongly believe in extending preventive medicine and think that the law should not merely be declared to be what everyone has thought it to be, but should be changed so that if a health authority asks a water authority to put fluoride in the water supply, the water authority should be compelled to comply.

The Bill does not go that far. It simply reasserts what everyone has thought to be the law. If it is not approved, areas such as Birmingham, where people are already benefiting from the introduction of limited quantities of fluoride, will no longer enjoy that benefit. I hope that most of my hon. Friends will join me in voting for the Bill.

12.8 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): We have had a long and interesting debate, which Ministers from the DHSS, the Scottish Office, the Welsh Office and the Department of the Environment have followed carefully.

Three threads have run through the debate — the benefits or otherwise to dental health of adding fluoride to the water supply, the safety of adding that mineral to the water supply and the important issues of personal freedom and liberty. I do not underestimate the strength of feeling of many of my hon. Friends on those issues.

I have noted with care what was said by my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn), my right hon. and learned Friend the Member for Southport (Sir I. Percival) and my hon. Friends the Members for Ynys Môn (Mr. Best), for Tiverton (Mr. Maxwell-Hyslop), for Cannock and Burntwood (Mr. Howarth) and for Gainsborough and Horncastle (Mr. Leigh), though I doubt whether I shall be able to answer all 10 of the points put by my hon. Friend the Member for Gainsborough and Horncastle.

Last but not least I must mention the points so powerfully made in support of the arguments of personal liberty by my hon. and learned Friend the Member for Burton (Mr. Lawrence), who is a powerful advocate of the case against the sort of addition to the water supply that the Bill attempts to establish.

But just as I appreciate the arguments with which I do not agree, I welcome the support given to the Bill by right hon. and hon. Members from all parties, with the exception, I believe, of the SDP whose voice we have not heard. We had detailed support from the right hon. Member for South Down (Mr. Powell), who wound back the clock and told us what made him, as a former Minister for Health, decide in favour of this form of addition to the water supply despite his deeply held views about the doctrines of personal liberty. I also welcome the support given by my hon. Friend the Member for Harrow, West (Sir J. Page), and by the hon. Member for Leeds, West (Mr. Meadowcroft) on behalf of the Liberal party—that party also seems to have a free vote tonight—as well as by my hon. Friends the Members for Bournemouth, East (Mr. Atkinson) and for Derbyshire, South (Mrs. Currie) and by the hon. Member for Brent, South (Mr. Pavitt).

In my brief concluding remarks, I shall deal with each argument in turn. I have not heard any hon. Member advance any argument tonight that would lead me to move one jot or iota from giving my full support to what my right hon. and learned Friend the Minister said in advancing the powerful case in support of dental health. It would be otiose to repeat the arguments that he has already put so well. Those arguments have received support from the hon. Members for Holborn and St. Pancras (Mr. Dobson) and for Oldham, West (Mr. Meacher). I just hope that the general management committee in the constituency of the hon. Member for Oldham, West does not read *Hansard* and see that he is commended and supported by the right hon. Member for South Down. I do not know how well that would go down in Oldham, West.

I do not quite know what the oft-quoted Lord Jauncey would make of all the ways in which gobbits and bits of

his opinions have been used by right hon. and hon. Members, sometimes in favour and sometimes against the Bill. But one fear consistently underlying the debate on dental health was that somehow the addition of fluoride to water—whatever benefits it might have—would lead to dental mottling. In his judgment after the longest legal case in Scottish history lasting 201 days, the learned judge said:

"there is likely to be a very small increase in the prevalence of mottling of a type which will only be noticeable at very close quarters and which is very unlikely to create any aesthetic problems for the owners of the teeth."

The learned judge was absolutely right in his judgment.

I come to the important issue of safety. Again, I stand four square behind everything that my right hon. and learned Friend the Minister had to say. The whole scientific community constantly and rightly keeps any additions to our diet or water supply, and any forms of new or old drugs that are available on the market, under surveillance. Any scientist worth his salt would move very fast to publish any damning evidence that shed light on the safety, or lack of it, of any substance freely available on the NHS, or available privately. No such evidence has been forthcoming from any quarter in this country or abroad.

However, my hon. Friend the Member for Ynys Môn asked several detailed points, to which I shall respond. He said that Lord Jauncey had suggested in his judgment that perhaps fluoride should fall within the ambit of the Medicines Act 1968. Lord Jauncey did not accept that supply without a products licence would be in breach of the Medicines Act and rejected that part of the petitioner's case based on alleged contravention of the Act. That is made clear in his summing-up.

My hon. Friend the Member for Ynys Môn also referred to the indemnity of water authority employees if safety is challenged. The indemnity offered in respect of alleged harm to health is primarily to assist water authorities, which cannot be expected to judge safety issues. That is a health question and the offer of indemnity is a clear example of the Government being prepared to put their money where their mouth is.

Mr. A. J. Beith (Berwick-upon-Tweed): The Minister made an odd statement when he said that the safety aspects cannot be left to the water undertakers but must be dealt with by the health authorities. Does he recognise that the addition of fluoride to the water supply is done by water authorities at many separate sites, some of them small and unmanned and which are monitored only from time to time? Surely water authorities and statutory undertakers have a heavy responsibility. If the Minister says otherwise he will seriously mislead them.

Mr. Patten: I wish that the hon. Member for Berwick-upon-Tweed (Mr. Beith) had been here earlier to hear the whole argument. I gave way only to ensure that he votes with the Government this evening. The health authority is responsible for deciding whether the addition of fluoride to water is in the public interest. That is the answer to the hon. Gentleman's question.

Safety issues have been tested in courts of first resort, middle resort and last resort round the globe. My hon. and learned Friend the Member for Burton discussed three cases of judges ruling against the safety of fluoride in the United States. None of the cases were in courts of last resort. No court of last resort in the United States has ruled against fluoride. The issue has been taken to the Supreme Court eight times and on each occasion the safety of fluoride has been advocated by the judges involved.

On safety grounds, as on the benefits to dental health, the Government's case is sound and has been carefully composed. My right hon. Friend the Secretary of State and I would be the first to come forward if there were any doubts at all about safety.

I had doubts about the safety of fluoride in the 1970s. —*[Interruption.]* I think that I have been caught by the 10-year rule. That remark has caused interest among my hon. Friends, so perhaps I should attempt to explain. In the 1970s a report by the Royal College of Physicians exonerated the addition of fluoride to the water supply. I accepted that. Shortly after, the work of Burk and others cast substantial doubt on the safety of fluoride. I was very worried at the time, as were many of my right hon. and hon. Friends. I had my doubts on safety grounds. In the 1980s those doubts were laid to rest by subsequent scientific evidence. After careful consideration of the evidence on safety no hon. Member could conceivably feel that there is any genuine scientific doubt on the safety of fluoride.

That leads me to the third, the last and the most important issue that is being considered tonight, and that is freedom of choice. In that context it is important to understand that in artificially adding fluoride to the water supply we are in no way introducing a substance which is otherwise alien to us. That is the underlying factor which makes any argument against fluoride based on freedom of choice almost impossible to substantiate.

First, freedom can be seen not to be contravened when we consider that fluoride is widely and naturally present in the human diet. It occurs at particularly high levels in tea. Indeed, as has been said, a heavy tea drinker in a fluoridated area will ingest far more fluoride from his tea than he ever will from the water.

Secondly, almost every toothpaste that is on the market today contains a substantial amount of fluoride at the proper safety level and some 95 per cent. of all toothpastes that are marketed and used, I dare say, by most hon. Members, contain fluoride.

Thirdly, fluoride is naturally present in almost every water supply around the globe. In the United States it exists at levels of up to 13·6 mg per litre, in the United Kingdom, in the West Mercia water area, it exists at levels of up to 5·8 mg per litre; in Austria at up to 5·3 mg; in Italy at up to 3 mg, and so on.

Mr. Lawrence *rose*——

Mr. Patten: I am sorry, but my hon. and learned Friend was not able to give way to me and I am afraid that I do not have the time to give way now in attempting to wind up the debate.

We must also be wary of assuming that drinking water supplies that are not fluoridated do not have other additives. In his opinion Lord Jauncey said:

"There are some 18 different chemicals which are added to different supplies in Strathclyde and whose purpose is to achieve purity."

That helps put the argument on the addition of fluoride into perspective. Governments approve the addition of additives to a range of foodstuffs, whether it be iodine to salt or vitamins to bread. Once one looks at the number of areas in which, with Government and all-party support

[Mr. Patten]

things are added to our diet and drinks, it is difficult on pragmatic logic to separate out fluoride from any of those other additions.

Mr. Fairbairn: All the other substances named by Lord Jauncey in his judgment are intended to help the person who ingests them. Fluoride is added not to help the person who ingests it but others. My hon. Friend has said that the Government's purpose is to advise on what is good and what is not, not to make it compulsory. Why has he changed his mind on fluoride?

Mr. Patten: I have explained that.

In order to try to erect some form of suitable philosophical background for what I have had to say I reread my distinguished constituent Sir Isaiah Berlin's important work "Two Concepts of Liberty". I came to the House tonight with an argument erected on that important book, but unfortunately my hon. Friend the Member for Bristol, West (Mr. Waldegrave) told me that Sir Isaiah has recently remarketed his book and increased the number of concepts of liberty from two to four. That was inconvenient from the point of view of anyone suggesting an argument based on concepts of liberty about what we do and do not consume for which it is impossible—I am trying to answer the comments made soto voce by my hon. Friend the Member for Ynys Môn—to lay down a hard and fast barrier beyond which one cannot go before personal liberties are themselves transcended.

I simply cannot find in my mind any line to suit all places, all circumstances, all situations at all times and say, "If I cross that line, personal liberties are transcended. If I do not cross it, everything is all right." In the end one must make a judgment on the facts and evidence.

I recognise that there will always be those who genuinely feel that water fluoridation constitutes mass medication and, as such, should not be permitted. Set against that, it is the view of the Government that it is for the responsible bodies which take decisions locally to weigh any alleged interference with the liberty of the individual against the undoubted benefits which we believe future generations will gain in their dental health as a result of water fluoridation.

As with any decision which is taken on a community basis, there will inevitably be those who are disappointed whichever way the local decision goes. Nevertheless, in this strictly limited Bill we are doing no more than restoring the situation to what we understood it to be in Britain before the judgment delivered by Lord Jauncey in the Scottish courts.

As has been stressed, this is a short measure designed to give the responsible authorities the legal power to choose, if they wish, to improve dental health by the fluoridation of water supplies. Nothing new — no compulsion—is introduced by the Bill.

I hope that the House will agree, not least in view of the authoritative evidence we have heard on the safety and efficacy of fluoridation, that this choice should continue to be open to health and water authorities on the basis that has been in operation for the last 30 years.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 159, Noes 71.

Division No. 62] **[12.28 am**

AYES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bevan, David Gilroy
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Boyson, Dr Rhodes
Brittan, Rt Hon Leon
Brooke, Hon Peter
Buchan, Norman
Buck, Sir Antony
Burt, Alistair
Butcher, John
Carlisle, Kenneth *(Lincoln)*
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Currie, Mrs Edwina
Dalyell, Tam
Dobson, Frank
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Eyre, Sir Reginald
Fatchett, Derek
Fenner, Mrs Peggy
Fletcher, Alexander
Foulkes, George
Fowler, Rt Hon Norman
Fraser, Peter *(Angus East)*
Freud, Clement
George, Bruce
Godman, Dr Norman
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Gregory, Conal
Gummer, John Selwyn
Hayhoe, Barney
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howard, Michael
Howe, Rt Hon Sir Geoffrey
Hunt, David *(Wirral)*
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Joseph, Rt Hon Sir Keith
Key, Robert
Knight, Mrs Jill *(Edgbaston)*
Lamont, Norman
Lang, Ian
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lofthouse, Geoffrey
Lyell, Nicholas
McCrindle, Robert
McDonald, Dr Oonagh
Macfarlane, Neil
MacKay, John *(Argyll & Bute)*
Major, John
Marland, Paul
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxton, John
Mayhew, Sir Patrick
Meacher, Michael
Meadowcroft, Michael
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Miller, Dr M. S. *(E Kilbride)*
Moore, John
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Onslow, Cranley
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Patten, John *(Oxford)*
Pavitt, Laurie
Pawsey, James
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powley, John
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robertson, George
Robinson, Mark *(N'port W)*
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Shaw, Giles *(Pudsey)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Squire, Robin
Stanley, John
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Taylor, John *(Solihull)*
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Viggers, Peter
Waddington, David
Waldegrave, Hon William
Walden, George
Wallace, James
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wilson, Gordon
Wolfson, Mark

Wood, Timotny
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Peter Lloyd and
Mr. Tristan Garel-Jones.

NOES

Alton, David
Ashdown, Paddy
Beith, A. J.
Benyon, William
Bermingham. Gerald
Best, Keith
Biggs-Davison, Sir John
Body, Richard
Bowden, A. *(Brighton K'to'n)*
Brown, M. *(Brigg & Cl'thpes)*
Budgen, Nick
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carttiss, Michael
Cash, William
Chope, Christopher
Clegg, Sir Walter
Craigen, J. M.
Fairbairn, Nicholas
Fallon, Michael
Gardiner, George *(Reigate)*
Golding, John
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Hancock, Mr. Michael
Hawkins, C. *(High Peak)*
Haynes, Frank
Higgins, Rt Hon Terence L.
Howarth, Gerald *(Cannock)*
Howells, Geraint
Hunter, Andrew
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lightbown, David
McCartney, Hugh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Maclean, David John
Maxwell-Hyslop, Robin
Maynard, Miss Joan
Merchant, Piers
Molyneaux, Rt Hon James
Monro, Sir Hector
Nellist, David
Norris, Steven
Ottaway, Richard
Parris, Matthew
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, Raymond *(Ogmore)*
Proctor, K. Harvey
Rhys Williams, Sir Brandon
Shaw, Sir Michael *(Scarb')*
Skeet, T. H. H.
Skinner, Dennis
Stanbrook, Ivor
Stern, Michael
Stevens, Martin *(Fulham)*
Stewart, Andrew *(Sherwood)*
Stewart, Rt Hon D. *(W Isles)*
Sumberg, David
Walker, Bill *(T'side N)*
Waller, Gary
Warren, Kenneth
Wells, Sir John *(Maidstone)*
Wigley, Dafydd
Williams, Rt Hon A.
Woodall, Alec

Tellers for the Noes:
Mr. Peter Bruinvels and
Mr. Neil Hamilton.

Question accordingly agreed to.

Bill committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

National Heritage (Scotland) Bill

As amended (in the Standing Committee), considered.

New Clause 1

SCOTTISH MUSEUM OF INDUSTRY

'There shall be a Board to be known as the Board of Trustees of the Scottish Museum of Industry which shall be appointed by the Secretary of State to establish a Museum of Industry.'.—*[Mr. Craigen.]*

Brought up, and read the First time.

12.39 am

Mr. Jim Craigen (Glasgow, Maryhill): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to take amendment No. 16, in line 5, after 'Edinburgh', insert

'to establish a Board of Trustees of the Scottish Museum of Industry.'.

Mr. Craigen: It is unfortunate that the House must deal with the report stage at such an early hour of the morning, especially as we have had a hard day with the Trustee Savings Banks Bill and the Water (Fluoridation) Bill. However, we are still here.

New clause 1 relates to the establishment of a Scottish museum of industry. As the Minister knows, we did not have an opportunity in Committee properly to air this issue, although the concept of such a museum was frequently raised. We found it necessary to table the new clause because of the Government's disingenuous approach. There had been every sign that the Government fully supported the concept of establishing a museum of industry, even to the extent of the Secretary of State being on record as saying that it was in an exciting prospect. Therefore, I expected the Minister to be more positive when he replied to the Second Reading debate. Unfortunately, we were not shown how, when or where the Government planned such a museum.

The Williams report, "A Heritage for Scotland", was never debated in the House, although there was a debate in another place on 27 January 1982. Otherwise, we have had to rely on a series of written parliamentary answers from the Secretary of State. The hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) has been particularly diligent in pursuing these matters. The written answer he received on 22 July 1982 made no specific mention of the proposal for a museum of industry, but by 8 December 1983 the Secretary of State said that he was seeking advice on the matter.

The concept of a museum of industry for Scotland is an exciting prospect. As that was the Secretary of State's view, I was surprised on Second Reading when in reply the Under-Secretary gave the impression that the Government had changed and, indeed, positively deserted their position on the matter

In Committee we spoke about the possibility of a free-standing museum, as envisaged by the Williams committee in its report. Dr. Alwyn Williams wrote to me on 26 November 1984:

"I hope that there will be no let up in the pressure for a Museum of Industry in the West of Scotland. The image of the City of Glasgow and the Clydeside conurbation in general has been transformed even since my return in 1976. The momentum which is now compelling the rest of the world to recognise the city as a cultural centre of international standing must not be lost."

[Mr. Craigen]

Given that we are dealing with the National Heritage (Scotland) Bill, the Government should not lose sight of the recommendations of the Williams report.

12.45 am

If the museum of industry is to be subsumed into the new structure of the museum of Scotland, some of us fear that it may get short shrift, because the new board of trustees, unless there is a clear Government commitment, may have certain biases towards the totality of existing institutions. Ministers should make clear what they envisage by the concept of a museum of industry since, as I have said earlier, the Secretary of State found it a particularly exciting prospect.

New clause 1 is a probing clause, because it is essential at this stage for the Government to give some answers that were not given in Committee. My hon. Friend the Member for Linlithgow (Mr. Dalyell) in particular tried to put a price tag on the capital cost of a museum of industry, and I think his figure was about £20 million. The Minister did not contradict him in Committee but, although I requested it, the Minister was not able to produce his own calculation.

We are dealing with a matter of principle and I want a simple yes or no from the Minister. Do the Government still believe in a museum of industry for Scotland? If the Minister says no, is he going to bury the idea in the same way as he has been burying so much of the living industry of Scotland? If he still feels that there should be a museum of industry, what vibrations is he getting from the committee under Lord Bute, and what instructions will he give the new board of trustees when it is set up?

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan Stewart): I am grateful to the Hon. Member for Glasgow, Maryhill (Mr. Craigen) for giving the House the opportunity to consider this topic tonight. As he rightly said, the new clause would have the effect of setting up a free-standing board of trustees to establish a Scottish museum of industry. As he has again rightly said, that is broadly in line with what was recommended by the Williams committee. But as I explained in Committee—I thought I had made the position clear—in principle, that essential proposal runs counter to the present general thinking on the subject in museum circles. Some of that thinking was referred to by other hon. Members. It is thinking which has the endorsement of the bodies which have been consulted during the last year or so, including the Scottish Museums Council and its industrial museums advisory board.

A consensus is now emerging that the concept of a museum of industry cannot and should not be separated from that of a museum of Scotland. The story of the growth of industry in Scotland is an integral part of the general story of Scotland's history. Therefore, it is now thought to be much more appropriate to set it in its proper place in developing the museum of Scotland concept. Exactly how that is to be developed is still under discussion, but I can tell the hon. Member for Maryhill that one suggested approach is that certain core disciplines could be built up within the national museums, largely on the basis of material that they already hold, which might then point interested visitors in the direction of more specialised displays and collections in a number of venues throughout Scotland. In Committee, the hon. Member for Linlithgow (Mr. Dalyell) rightly referred to several other venues in Aberdeen and Bathgate that are important in this context.

Certain developments of that type are already in being or planned. It might be one of the tasks for the new board of trustees of the national museums and of its staff to encourage the development of such specialised displays in several key centres.

The hon. Member for Maryhill asked me what the up-to-date position is. It is one of the issues to which the advisory board is giving a great deal of thought. It has already had the benefit of two major papers from Dr. Neil Cossons, the director of the national maritime museum in London and former director of the Ironbridge museum trust. The advisory board will be recommending the direction in which the national museums policy might be channelled in that area.

Mr. Norman Buchan (Paisley, South): The Minister has mentioned an ominous name. Dr. Cossons is the first man to have followed the lead of the Government in instituting charges at Greenwich. The hon. Gentleman is not going to rely too much on his advice, is he?

Mr. Stewart: I recall that in Committee the hon. Member for Linlithgow — I am sure that he will intervene if I am misquoting him—paid a considerable tribute to Dr. Cossons' expertise in that area. He is widely respected.

I have no doubt that the board will take careful note of the keen interest that has been expressed by hon. Members in the direction of such developments.

The hon. Member for Maryhill asked me about resources. He will know that before the board reports we cannot say precisely what resources the new structure will require. However, I hope that hon. Members will be reassured, because resources came up in Committee, by the decisions made by my right hon. Friend the Secretary of State and announced to the House about the provision for the museums in 1985-86. My right hon. Friend announced an increase in the net provision for the two museums of 12 per cent.—an extra £700,000—through the Property Services Agency for the fabric of the museums, and an increase in the grant for the Scottish Museums Council of 41 per cent. At a time when public expenditure is rightly under restraint, those figures are a clear sign of the Government's commitment to our national museums. I hope that my explanation of the present position has been helpful to the House.

Mr. Craigen: It seems that in a most tortuous way the Minister has shown that he has gone cold on the whole issue of a museum of industry. I confirm that my hon. Friend the Member for Linlithgow (Mr. Dalyell) and I were at one over the prospect of a core museum with strong links with localities, industries and communities. A network depicting the industrial heritage of Scotland could have been developed.

I am worried about the Minister's reply. He told us that the decision would be left to Lord Bute and the unified board of trustees. Thus, he is effectively squeezing out the options that now they will not seek.

Mr. Tam Dalyell (Linlithgow): I thank the Minister for the three-page letter that he sent to my hon. Friend the Member for Glasgow, Maryhill (Mr. Craigen) and myself, because it was very helpful.

So much depends on the resources that will be available to the local museums. I do not want to reiterate too much of what was said in Committee, but is it right or wrong to suggest that if there is to be a museum of industry as such, £20 million is a minimum figure? Given the public expenditure of any Government, surely that will have reverberating ramifications on the local museums, about which we rightly said so much. Since our discussions, my impression is more and more that museums, such as Aberdeen, with fishing specialities, are worried about their own resources. Perhaps the Minister will comment on that.

Mr. John Home Robertson (East Lothian): In the absence of the new clause, where will this leave the fledgling Scottish mining museum recently opened at Prestongrange in my constituency and at the former Lady Victoria colliery at Newtongrange in Midlothian? Without some funding from the new authority what will happen to that museum, the Scottish fisheries museum and many others?

Mr. Allan Stewart: I should perhaps repeat the quotation rightly given in Committee by the hon. Member for Paisley, South (Mr. Buchan) in which the Scottish Museums Council states:

"We consider that a single-site, monolithic Museum of Industry in Scotland is neither a practicable, nor a desirable option."

I think that that view of the relationship between a museum of industry and the rest of the museum world is broadly accepted.

Perhaps I did not make it sufficiently clear to the hon. Member for Linlithgow in Committee that the idea that sums of the order of £20 million are readily available is clearly unrealistic. I hope that he will accept that the sums announced, ahead of the decisions by Lord Bute's committee, in respect of net grants to the national museums and the Scottish Museums Council for 1985-86 show the Government's interest in and concern for museums.

For the same reason, I cannot give a precise answer to the hon. Member for East Lothian (Mr. Home Robertson) in relation to the mining museum. I hope that the House will accept that until the advisory board has reached its conclusions and submitted its advice we cannot make decisions on a number of points of detail which are of interest to hon. Members.

Question put and negatived.

New Clause 2

ORDERS FOR ADMISSION CHARGES

'Where the Boards of Trustees of the National Museum of Scotland, the Royal Botanic Garden, Edinburgh and the National Galleries of Scotland intend to institute payment for admission they will require an Order made by Statutory Instrument and subject to affirmative resolution by both Houses of Parliament.'. —*[Mr. Buchan.]*

Brought up, and read the First time.

Mr. Buchan: I beg to move, That the clause be read a Second time.

Our discussion in Committee on this was merely exploratory. It may be useful to deploy the arguments at greater length and we make no apology for returning to the matter today. In Committee the Government argued, first, that there was nothing in the Bill to enforce changes and, secondly, that the power to make charges already existed if the museums chose to use it. That was buttressed by the argument that, democratically, it should be up to the trustees of the museums to impose charges if they so wished—giving them the kind of freedom that Scottish local authorities are supposed to have on matters other than fluoridation.

We challenge that argument because we do not believe that the trustees should make that decision. On the contrary, we regard it as a matter of supreme national policy for museums and galleries. We are reinforced in that view for two reasons. First, there is the financial squeeze on authorities in Scotland. I appreciate that it is less cataclysmic and less devastatingly mean than that imposed on English authorities this year, although no doubt it will be our turn next year. Nevertheless, we fear that the general squeeze will create conditions in which museums will be tempted to introduce charges to try to help their finances.

1 am

We are concerned, because the squeeze is occurring under this Prime Minister. It is largely forgotten that she was the first person to seek to introduce charges when she was Secretary of State for Education and Science in 1971. It is worth reminding ourselves of the attitude that she adopted then. She is fairly influential within the Cabinet, if we are to believe reports. When she was Secretary of State she introduced the enabling power to make charges and to put the power to charge beyond dispute. She quoted the White Paper and said that it was

"Legislation to enable the Trustees of the"

various national museums to charge—

"The enabling nature of the legislation has been made clear throughout."

One or two of us pressed the right hon. Lady on that. I said, "Explain that." My hon. Friend the Member for Warley, East (Mr. Faulds) said:

"Will the right hon. Lady make it clear"?

She said:

"That is quite clear. The Government require charges to be made."

Therefore, within two paragraphs enabling powers meant that the Government required charges to be made. I hope that I have made that quite clear. A little rattiness was creeping in. The right hon. Lady said:

"I understood that the trustees wanted an unequivocal statement. I believe that I have now given them what they want." —[*Official Report*, 21 June 1974; Vol 819, c. 1012-3.]

She gave them an instruction on charges.

Since the National museum and the galleries were wholly dependent for their expenditure on Government finance through the taxpayer, once the powers were complete the decision that charges should be made was the Government's. That is the Prime Minister's attitude. Therefore, we have reason to be anxious.

We are also anxious because we do not believe that the concept involved in admission charges for museums is good for the health of a civilised community. I know the jeux d'esprit of the Minister for the Arts. We went through this in committee when he said that there was more satisfaction and pleasure to be derived from payment for services rendered. As I pointed out then, it is the philosophy of the prostitute—one that should not be advocated for our young people.

In 1971 Paul Jennings wrote a little poem, when he said that the Government were attempting to equate cash with art. It was called

"Lines Written in Despondency in Trafalgar Square"—

[Mr. Buchan]

the site of the National Gallery—and said:

"Oh God, a dreadful army comes,
Of foppish hardhats, po-faced bowlered bums
Whose mealy minds, whose souls of dust and ash
Chafe for the chance of turning art to cash."

That is the philosophy of the Government, and that is why we are opposed to it.

This matter has been discussed at great length in museums. I have with me reports of discussions at an international conference about charges in 1969. One speaker said:

"if one admits the state's obligation — through national, provincial or municipal channels—to educate the population, there seems no good reason for justifying the erection of an economic barrier precisely at the level where the masses are directly involved."

It is interesting that that was said by the director of the La Plata museum—Mario Teruggi—in Buenos Aires. The Argentine was well in advance of the rulers of this country.

There is another interesting historical fact. We were told in Committee that the proposal would have little or no effect on admissions. Some of us challenged that and said that it would certainly alter the nature of those admitted—the little snotty-nosed youngster from Partick would not find it easy to dive into a gallery. Even my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) was once — unbelievable as it is — a snotty-nosed youngster. Such youngsters will no longer get the chance to dash in to press buttons on machines, and trigger off an interest. The nature of the admissions will change. The casual visitor who will get excited about a particular subject will be stifled. Only the intentional visit will take place.

We have interesting evidence about other effects of charging. I have an article from the *Museums Bulletin* back in 1973 when good old Edinburgh council had five museums in its care, and abolished charges at the end of 1972 in four of the museums.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I was on the council at the time.

Mr. Buchan: Good. The four museums were Lady Stair's house, Huntly house museum, Canongate tolbooth and Lauriston castle.

Mr. Foulkes: And the Museum of Childhood.

Mr. Buchan: No, there was an intractable problem that year with the Museum of Childhood, which was privately owned, but later the charges were abolished, as my hon. Friend says.

In those four museums, the following things happened. In February 1972, Lady Stair's house had 263 admissions. After the abolition of charges, it had 898 admissions in February 1973. In May 1972 Lady Stair's had 972 visitors, and in May 1973, 2,800 — three times as many. A similar thing happened with the Huntly house museum. In May 1972, it had 1,200 visitors, and in May 1973 4,600 — nearly four times as many visitors. Canongate tolbooth had 758 visitors in May 1972, and 3,300 in May 1973 — again, nearly four times as many. Lauriston castle had 340 visitors in May 1972, and 1,309 in May 1973—again nearly four times as many.

Therefore, admission charges change the nature of admissions and the number of visitors.

Mr. Foulkes: I do not think that my hon. Friend has made the political point that between 1972 and 1973 there was a major political change in the council and the Conservative, or, as it was called at the time, quite wrongly, the Progressive, majority, was replaced by a majority of Labour and, I must admit, Liberal members, and that is why the change took place.

Mr. Buchan: I thought that that was almost understood. It was from the Labour party—and in this case the Liberal party as well—that civilisation had to come.

We reject this move on practical, economic and, above all, on philosophical grounds. It would be shameful for Britain, which has led the way in this in the past, to go back not to Victorian ideas, because it was the Victorian philanthropists who left us so much, but to the pre-Victorian, primitive ideas. We are concerned because the Prime Minister has more regard for cash than for the arts, and therefore we have proposed the solution that if the charges are to be permitted, that can only be done on the say-so of the House. If the Government wish to remove all power from local authorities in this matter, let there at least be some parliamentary control. The power should be made only after the passing of an order by the House.

Mr. Allan Stewart: As always, I have listened with great respect to the hon. Member for Paisley, South (Mr. Buchan). I fear that I cannot emulate his example in literary quotations, but I hope that I shall be able to reassure him about the Government's intentions. As he said, this debate follows a lengthy debate in Committee on a group of amendments tabled by Labour Members. Those amendments were designed to restrict the powers of the various boards to levy admission charges for entry to their collections. As I explained, and as the hon. Gentleman repeated tonight, those amendments failed to recognise that the reference to admission charges in the Bill in respect of the national museums and galleries was included merely for the avoidance of doubt. The powers for the boards to charge admission are contained in the Museum and Galleries Admission Charges Act 1972.

The hon. Gentleman suggested that Parliament should have the right to approve any proposal that admission charges be introduced at any of our national institutions, although, as he will know, recently charges for special exhibitions have been instituted without great controversy. It was to decide on such matters, which are principally for the institutions concerned, that we are establishing independent boards of trustees with wide-ranging expertise and flexibility. The 1972 Act, which gives those powers to the independent boards for the national museums, remained on the statute book, unamended, throughout the term of office of the Labour Government, so that the approach in the Act was clearly not then believed to be contrary to the policy that the hon. Gentleman's colleagues were following.

The hon. Gentleman's major point in raising this subject is to query the Government's view. I confirm that the Government's view has not changed. It is this: in respect of the museums and galleries, the boards of trustees should be free to decide for themselves whether charges should be introduced for entry to special exhibitions or to the permanent collections. I assure him that there is no intention to force institutions to introduce general admission charges. Secondly, as far as I am aware, no proposal for general admission charges is under

consideration at any of the Scottish national institutions. I hope that the hon. Gentleman will be reassured by those two points.

Mr. James Wallace (Orkney and Shetland): In the spirit of Lib-Lab agreement, which undoubtedly influenced decisions in Edinburgh city council in 1972 or 1973, I lend my support to the new clause. The Minister maintained that the boards would be free to decide for themselves and that there would be no Government direction. Of course, it is well recognised that there need not be a direct order sent from the Scottish Office to the boards to impose charges. That can be done much more subtly. If the funding to those bodies is not adequate, they will be forced indirectly to impose charges. Any imposition of charges for the general exhibitions in museums, and even in the royal botanic gardens, which are much used by the citizens of Edinburgh and by visitors to the city, would be a retrograde step.

We live at a time when it is predicted that there will be ever-increasing leisure time for people to enjoy. One aspect of that leisure time that many will wish to develop is a greater interest in our heritage and culture, and at this stage we should not put barriers, especially pecuniary ones, in their way. Although such cultural excursions are no substitute for proper jobs, it must be said that, at a time of high unemployment, many people who are on the dole take the opportunity to visit our museums.

I believe that, for some time, London zoo has had great difficulty in financing itself, because it has not been able to attract the public and because it has admission charges. We are talking not about one person visiting the zoo, but about someone taking his wife and children. It becomes a special burden, on top of travelling expenses, to undertake such a cultural expedition. Therefore, it is only right that Parliament should have the chance to debate any decision to impose charges.

1.15 am

Mr. Gordon Wilson (Dundee, East): One of the advantages of having served on the Committee on a Bill is that one can be brief on Report.

However, it is worth reiterating that one reason why this matter was raised in Committee was that there was suspicion of what the Government may be up to. The Government may have no direct policy of coercion of trustees—whom they appoint—but it is apparent that after this year, when they have, admittedly, been generous to the Scottish museums, they can ensure that charges are made, simply by cutting the amount of money available —it is the rack principle which the Government operate on local government; a few turns of the screw will presumably do the trick when trustees are worried about how to make ends meet.

The SNP believes that it would be a retrogressive act if payments had to be made at the door of public collections. That would reduce the number of people who could visit those collections, and the figures quoted by the hon. Member for Paisley, South (Mr. Buchan) show what could happen if charges were introduced.

If the Government had a reputation for being liberal towards the arts, there would be no need for the debate. It stands to the eternal shame of the previous Labour Government that they did not alter the 1972 Act so that there could be no doubt. The present Government would have had to legislate to reintroduce charges and would thus have given the game away.

I hope that the Government do not intend to compel trustees to impose charges. If they are sincere in what they say, there is no reason why they should not accept the new clause, which would at least allow us to have another bite if the Government change their mind or compel the trustees to change their minds.

Mr. Craigen: I wish to be clear about the Government's stance. In Committee, the Minister said that charges were nothing to do with the Government. He said: "we would expect the trustees to discuss any proposals for charges with Ministers before the charges were introduced."—[*Official Report, First Scottish Standing Committee*, 11 December 1984; c. 57.]

All that we are saying is that we do not trust the Government in the present economic climate. We do not want Ministers to say to trustees on the quiet, "We want you to introduce charges to increase your own resources." Before Ministers agree to the imposition of charges or bring trustees round to the realisation that they may have to introduce general admission charges, the matter should be discussed by Parliament.

Sir Hector Monro (Dumfries): The Opposition are making desperately heavy weather of the new clause. As one of the Ministers in charge of the 1972 Act, I know that all the legal issues were cleared in relation to the trusts, and in particular to the Vaughan Bequest. I hope that all Opposition Members will go to see that this month, free, in Edinburgh and that they will see the Turner watercolours.

We are talking about relatively few national galleries and museums compared with the enormous number of other museums in Scotland, some of which charge in accordance with their local authority's decision. Thus, I cannot see why the Opposition make such an issue about the national institutions. I was charged to go to see the exhibition on Ramsay MacDonald in Lossiemouth museum. I had to pay to see it, and it was an excellent exhibition. Indeed, it was much enhanced by a large section on the fishing industry.

There is nothing wrong in charging to see some of the exquisite works of art that our national exhibitions have. For an individually very small charge, an enormous sum could be provided collectively with which to enhance the standing of our facilities and exhibitions. It would be a great help to purchase and retain in Scotland some of the things that we would like to see on exhibition.

Mr. Nicholas Fairbairn (Perth and Kinross): The national galleries of Scotland in Edinburgh have 400,000 visitors a year, which is less than a third of the number who have visited the Burrell collection. Those visiting are not unemployed and do not come from Craigmillar but are, I regret to say, members of rather a restricted social class. They do not pay charges that they could afford, but the many people whom we should like see visiting them do not do so despite the absence of charging. Thus, I do not see why charging is said to be a deterrent.

Sir Hector Monro: I quite agree with my hon. and learned Friend. I hope that my last point will reinforce the view held by my hon. Friend the Minister. We look on Edinburgh as one of the great tourist attractions of Scotland. Hopefully, we can take a lot of money from the tourists who wish to see the exhibitions available. That money from overseas could go towards improving the facilities and adding to the collections.

[Sir Hector Monro]

All in all, the Opposition have made a very feeble case, and I hope that my hon. Friend the Minister will stick to his guns.

Mr. Buchan: I shall be brief, but I should like to deal with a few canards. We have been asked why we are making such a meal of this issue, but the answer is that we are dealing with national museums. That is why the House must pay attention to it. Indeed, above all, this measure could be a trend-setter for other museums and galleries.

As it happens the local authorities have a pretty good record, including Glasgow's courageous decision — despite being financially squeezed by the Government— to open the Burrell gallery and to make it free.

Mr. Fairbairn: A collection is made.

Mr. Buchan: Money is indeed collected, and people generously pay without being asked, because they say that the exhibition is good and that they want to contribute to it. There is a world of difference between people who have entered and seen the exhibition freely, and who wish to contribute to it and——

Mr. Foulkes: Sock it too them, Norman.

Mr. Buchan: I shall try not to do that, because the time is late. The mentality and philosophy of Government Members cause me rue.

A terrible intervention was made by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). He said that 400,000 people a year visited the national gallery and that 1,200,000 visited the Burrell collection. That is three times as many. The hon. and learned Gentleman said that the national gallery attracted a restricted social class. I like the language of Government Members. The truth is that the Burrell collection has succeeded from the beginning because it is seen as being popular in the best sense. It belongs to and emanates from the people of Glasgow and they have responded. If the hon. and learned Gentleman went there he would see that. Yes, the unemployed go there. Yes, families go there. People from a wide social class go there. If the hon. and learned Gentleman does not know that, he has no right to participate in the debate.

The hon. and learned Gentleman is right that that does not apply to the national gallery. That is because it has not succeeded in making contact with the people of Edinburgh. The new director clearly wishes to move in that direction. Because of its nature, the national gallery has never been deployed in the same way. It has been regarded as a repository rather than a collection. That is the reason.

All the nonsense about social class is merely an argument for making those who can afford it pay. Some argue that tourists should also be made to pay. Tourists come to Britain for two important reasons. Without tourism, Britain would be bankrupt. Only oil and tourism keep Britain afloat.

Americans are attracted to Britain because we speak English and because up to now our great national institutions and galleries have been free. That is where the income comes from.

Mr. Fairbairn: The hon. Member suggests that I have not seen the Burrell collection. That was intentionally offensive. None has been more anxious than I to see the Burrell collection properly housed. It was properly housed under this Government. The Burrell collection is popular for many reasons—one of which is that people can go there by bus. That is not possible if one wants to visit the national galleries and museums in Edinburgh. That is one of the problems.

Alas, only a restricted type of person cares to go to the galleries in Edinburgh. That has nothing to do with charges.

Mr. Buchan: Most of the hon. and learned Gentleman's points are rubbish. Buses pass the national gallery every day. It is only 200 yards from Waverley station. What is the man talking about? It is rubbish.

1.30 am

Mr. Allan Stewart: The debate has touched on several points and a variety of views have been expressed. I hope that we can all agree that the Burrell has been an outstanding success. In my view, it has been an outstanding success not only for the people of Glasgow and the surrounding area but in terms of its effectiveness as a tourist attraction.

As my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) rightly pointed out to the House, it has been opened under this Government and 50 per cet. of the capital cost was supplied by the Scottish Office. I hope that hon. Members will recognise that. The decision may have been made by the right hon. Member for Glasgow, Govan (Mr. Millan), but the money to ensure that the museum was built was found by this Government.

I want to concentrate on the new clause. I think that the hon. Member for Paisley, South (Mr. Buchan) will accept that the new clause would mean that on each occasion that an institution wished to impose charges—for example, for a special exhibition—it would need an affirmative resolution of the House. I am sure that the hon. Gentleman would not wish such a restriction to be imposed, because it is widely accepted that when institutions incur extra costs to lay on special exhibitions it is reasonable that charges should be imposed to raise the necessary finance.

I end by reiterating the Government's position, and I hope that the hon. Gentleman will accept it. There is no intention to compel institutions to introduce general admission charges—I think that that is the essence of his concern—and, as I said earlier, so far as I am aware no proposal for general admission charges is under consideration at any of the Scottish national institutions.

The hon. Member for Glasgow, Maryhill (Mr. Craigen) asked me about the Government's role in all this. I simply reiterate what I said in Committee: that, while decisions are for the trustees, I would expect them to discuss any such proposals with the Department before implementing them.

Question put and negatived.

Clause 2

THE BOARD'S GENERAL FUNCTIONS

Mr. Allan Stewart: I beg to move amendment No. 1, in page 2, line 13, after 'agricultural', insert 'archaeological, artistic'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendment No. 8.

Mr. Allan Stewart: The two amendments implement undertakings that I gave in Committee. My hon. Friend the Member for Fife, North-East (Mr. Henderson) suggested that knowledge or experience of archaeological matters was a quality that my right hon. Friend the Secretary of State should look for in appointing members of the new board, and I agreed to consider that suggestion. We were particularly impressed by his argument that the national museum of antiquities of Scotland is of "particular significance archaeologically". We have therefore agreed that it would be appropriate to include a specific reference in the schedule as a matter to which my right hon. Friend should have regard.

Dr. Norman A. Godman (Greenock and Port Glasgow): Should not the word "architectural" be inserted after "archaeological"? I was not a member of the Committee, but it may be that the Minister has implicitly subsumed matters architectural under the term "environmental". If not, surely architecture is as important a human activity as the others that are mentioned?

Mr. Stewart: If there had been an amendment to that effect, I would have considered it in detail, but in fact architecture is subsumed in the other terms in the clause.

We have gone further than my hon. Friend suggested and concluded that it would be appropriate for a reference to archaeology to be included in clause 2 as one of the matters about which the new board of trustees of the national museums of Scotland must promote public awareness.

In Committee, I listened to what Opposition Members said about the word "artistic" and, as the hon. Member for Paisley, South (Mr. Buchan) will recall, he agreed to withdraw an amendment that he had moved for the inclusion of "artistic" on my assurance that the Government would introduce an amendment. At that stage I said that the only thing wrong with his amendment was that it was inadvertently proposed for the wrong place in the Bill alphabetically.

Amendment agreed to.

Mr. Allan Stewart: I beg to move amendment No. 2, in page 2, line 16, after 'means', insert

', including collaboration with other institutions'.

I suggest that it would be convenient for the House to discuss at the same time amendment No. 3, in page 2, line 18, at end insert—

'(*f*) form and maintain recognisable links with and provide advice and assistance to local museums and similar institutions throughout Scotland.'.

In Committee we had a lengthy discussion about the powers of the new board to collaborate with local museums and other similar institutions. I explained that the powers already in the clause were sufficient to permit this. However, having listened carefully to what hon. Members said, I am aware of the strength of feeling that the pastoral role which the national museums have traditionally played in relation to the other museums in Scotland should continue and develop. Accordingly, amendment No. 2 will make it clear that in promoting the public's awareness of the matters specified in subsection 1(*d*), the board may collaborate with other institutions.

The Government amendment goes further than simply local museums, and that is the key difference between our amendment and amendment No. 3, which stands in the names of Opposition Members. The Government amendment makes it clear that the board may come to arrangements with bodies such as the National Trust for Scotland. This is a more satisfactory approach than that embodied in the Opposition amendment, which would be more restrictive in that respect. I confirm that the Scottish Museums Council, the position of which was referred to by Opposition Members in Committee, is happy with the proposed Government amendment.

Mr. Buchan: We do not propose to press amendment No. 3. My hon. Friends and I welcome this major concession, which goes to the heart of much of the earlier debate on the Bill. The issue was at the heart of many of the representations made by the museum authorities, and I am glad that the Government have listened to reason. It shows that there is hope even for the wicked.

We should have preferred our amendment, which would have set out the matter more clearly; it would also have been alphabetically correct in adding a new subsection (1) (*f*). The word "collaboration" in the Government amendment might be considered to have slightly sinister implications, but I accept its use in the spirit in which it is intended.

I appreciate that the Government did not want to make too much of a surrender, and we do not object to that. The important point is that the amendment is being made. The Scottish Museums Council is satisfied. So am I. I said that the amendment would have to be made, and I am thankful for what is a reasonably large mercy.

Mr. Barry Henderson (Fife, North-East): I thank the Minister for fulfilling completely the undertakings he gave in Committee with regard to the previous amendment.

The subject of this matter caused a number of amendments to be tabled in Committee by hon. Members on both sides, all of which were longer than that which the Minister has introduced tonight. I congratulate him on this amendment, which is short and succinct and covers the burden of the points we made in Committee.

Amendment agreed to.

Clause 3

General powers of Board

Mr. Allan Stewart: I beg to move amendment No. 5, in page 3, line 19, at end insert—

'(5) Fellows of the Society of Antiquaries of Scotland shall be entitled to free access to the library of the National Museums at such times as the Board may reasonably determine.'.

This is another point that was raised in Committee by my hon. Friend the Member for Fife, North-East (Mr. Henderson), who expressed concern about the need to recognise the special contribution that the Society of Antiquaries had made to the growth of the National Museum of Antiquities.

I agree that this historic relationship, to which hon. Members referred in Committee, should continue to be recognised by conferring on fellows of the society the right to make use of the library which it formed and which is at present housed in the Queen street building. That is one of the specifics that the society and its supporters have sought. My hon. Friend will recall that I advised him in Committee that his amendment was slightly defective. However, the Government's amendment meets his point and I hope that it will have the support of the House.

Mr. Craigen: I acknowledge that we are indebted to the hon. Member for Fife, North-East (Mr. Henderson).

[Mr. Craigen]

Since Committee, I have received a number of letters from members of the Society of Antiquaries of Scotland, and several of my hon. Friends, including my hon. Friends the Members for Carrick, Cumnock and Doon Valley (Mr. Foulkes), for Clackmannan (Mr. O'Neill) and for Glasgow, Garscadden (Mr. Dewar) have sent me letters that they have received, as if I did not have enough of my own. It is apparent that there was a lack of consultation with the society before the preparation of the Bill.

I received a letter from Mr. P. R. Ritchie, a fellow and past vice-president of the society. I replied to the effect that I would have thought that the Scottish Education Department would have adequately consulted the society before the Bill was published. Only this morning I received a reply from Mr. Ritchie, in which he states:

"The first intimation from the Scottish Education Department was contained in a letter only a week or so before the Bill was announced. The letter was confined to a notification that the Society would lose its representation on the new Board of Trustees of the National Museums of Scotland. Other provisions of the Bill were not known to the Society's officers until its publication on 9th November."

The letter concludes:

"The way in which the present situation has come about gives me no grounds for optimism concerning future facilities."

The Minister might at least acknowledge that there has been a singular lack of consultation with the society before the preparation of the Bill, which has undoubtedly generated many concerns.

Mr. Allan Stewart: The society was among the bodies which were consulted in 1982 on the paper which the Department circulated on whether there should be one trustee board or two to administer the national museums. The society's views were taken into account with others that we received before the Government reached their decisions on the issue.

Subsequently, the society was informed in the autumn of 1984 of the proposed contents of the Bill as they related to the constitution of the new trustee board for the national museums, the special point of interest to the society. Following correspondence with my officials, I wrote to the society's secretary to give a detailed explanation of our reasons for wanting a board constituted on the lines which have been drafted. In addition, the board of the National Museum of Antiquities (Scotland), on which the society has a number of representatives, was consulted in advance of the Bill's publication on the general substance of the Bill as it relates to the national museums.

It is true that the society is not in agreement with the proposals in one respect which the House will be considering shortly under another group of amendments. However, I assure the House that throughout the consideration which lies behind the Bill, and in preparing the Bill, care was taken to consult the society.

Amendment agreed to.

Schedule 1

The Boards

Mr. Wallace: I beg to move amendment No. 7, in page 22, line 24, leave out from 'of' to end of line 34 and insert:

'15 members (referred to in this part of this Schedule as "trustees").

(2) The trustees shall include the following persons:

The President of the Society of Antiquaries of Scotland for the time being ex-officio.

One fellow of the Society of Antiquaries appointed by the Society.

One fellow of the Royal Society of Edinburgh appointed by the Society.

One person appointed by the Convention of Scottish Local Authorities.

Two persons appointed jointly by the Scottish Universities for their specialist interest in Scottish Archaeology and Scottish History.

Nine persons appointed by the Secretary of State as follows:

(i) One representing the Council of British Archaeology in Scotland,

(ii) Two representing schools in Scotland;

(iii) Six representing such other public interests as the Secretary of State may think fit.

(3) The Secretary of State shall appoint a person to be chairman of the Board and the Board shall appoint one of their members to be vice-chairman.'.

Mr. Deputy Speaker: With this it will be convenient to consider the following amendments:

No. 9, in page 22, line 32, after 'matters', insert 'and of the interests of the Society of Antiquaries of Scotland.'.

No. 10, in page 22, line 35, leave out sub-paragraph (4) and insert—

'(4) Trustees shall be appointed for a period of four years: after the second year of coming into operation half of the membership of the Board shall be reconstituted at intervals of two years.'.

Mr. Wallace: In many respects, amendment No. 7 follows on from amendment No. 5. The Under-Secretary of State recognised the great association of the Society of Antiquaries of Scotland with the National Museum of Antiquities. That association is a reason why the amendment has been moved.

One of the Bill's principal functions is to combine the Royal Scottish Museum and the Museum of Antiquities into one museum controlled by a board of trustees. That combination was recommended by the Williams committee. As the Bill stands, the connection with the Society of Antiquaries would be lost because there would be no statutory provision to include any members of the society on the board of the trustees of the new museum. That is the principal reason why the amendment has been drafted.

1.45 am

To a large extent, the amendment reflects the composition of the board as it was constituted under the National Museum of Antiquities of Scotland Act 1954. This measure includes the Royal Scottish Museum which, until now, has been under the control of the Civil Service. The present provision gives the Secretary of State, who already has enormous powers of patronage in many respects in Scotland, power to appoint all trustees. There is no reason why that patronage should be as wide as provided for in the Government's proposals. We seek to limit that patronage by allowing certain members of the Society of Antiquaries to be members of the board of trustees. This provision still allows a certain amount of discretion to the Secretary of State to nominate nine of the 15 trustees.

The amendment will give a Scottish dimension to the board of trustees. As the Under-Secretary of State has recognised, there has been a long association between the Society of Antiquaries and the National Museum of Antiquities. This measure would parallel in many respects the provision for the National Library. In the 1920s, that

library was gifted to the nation by the Faculty of Advocates. I declare an interest in this subject as a member of the Faculty of Advocates. The Bill provides for a continuing relationship between the Faculty of Advocates and the National Library. The faculty is well represented on the board of the National Library. The library of the National Museum of Antiquities was donated by the Scottish Society of Antiquaries, and that is why there should be a similiar relationship between that society and the new museum.

I look forward with interest to discovering the objection of the Under-Secretary of State to curbing the patronage of the Secretary of State. I understand that one reason for the objection is that this action reflects English practice at the Victoria and Albert museum. I do not believe that that is a good reason why we should merely copy English practice.

I am led to believe that the Department has said that, in view of the wide range of interests inevitably covered by the new board of trustees, difficulties might arise in deciding between the numerous organisations invited to submit nominations to the board. It has been said that, on balance, Ministers should not be advised by Parliament in determining which body should be represented. I cannot agree. The bodies mentioned in the amendment have a direct interest in the museum. It is not unreasonable for Parliament to stipulate that that interest should continue. Those bodies would be able to contribute to the long-term well-being of the new museum.

Sir Hector Monro: I oppose the amendment because, although it is tabled with the best intentions, it does not help the Minister to achieve the best balance in the new board of the museum. To limit the Minister's choice to six of the 15 would be extremely restrictive. All hon. Members who have served in government know that one of a Minister's most difficult jobs is the appointment of major and important boards and the achievement of the right blend of appointees to work harmoniously together, who have, if possible, a specific interest in and knowledge of the subject that they have been appointed to assist. If one restricts the number available to the Minister, that blend will be hard to find.

Like the hon. Member for Orkney and Shetland (Mr. Wallace), I have received many letters from members of the Society of Antiquaries of Scotland, who are keen to ensure that they will be fairly represented. The Minister is right to keep all his cards on the table. I am prepared to bet that some members of the society will be appointed to the board, but it is right that we should leave the provision as it is.

One of the outstations of the Royal Scottish museum is the aircraft museum at East Fortune. Would one therefore suggest that we should have an aircraft engineer or a pilot on the board? Should we have someone from Wigtownshire to look after the botanic garden outstation at Logan Gardens?

It is important that the Minister should have the maximum freedom of choice. I am confident that, from the immense wealth of experience in Scotland, he will appoint the right board.

Mr. Wilson: The hon. Member for Dumfries (Sir H. Monro) is far too generous and unsuspicious of the Minister and his Department. In Committee, I raised the matter of the vagueness of the criteria by which trustees were to be appointed. It is almost entirely at the discretion of the Minister. The point was raised, especially regarding the National Museum of Antiquities of Scotland, that there was no requirement for appointed trustees to have specific or even general knowledge of Scotland. It is patently obvious that if we adopt the selection of people mentioned in the amendment, there will be people with a genuine interest in Scottish history and the development of the museums. Indeed, the range is wide.

To develop a more general argument, one of the least attractive features of modern society is that the patronage of the Secretary of State has been built up and now extends into a wide area. We know that the Secretary of State may have the final decision, but he does not trawl for people who might fit the bill. His ministerial discretion is frequently exercised with a rubber stamp. The decisions about who is suitable are, broadly speaking, taken by civil servants. It is wrong that the Secretary of State, the omnipotent Pooh-Bah of the Scottish Office, should have such a wide range of different posts to fill.

Earlier the Government were keen to abolish quangos, but that seems to have petered out. It appears that they are still interested in making appointments wherever they can, as a sort of extension of their influence and power. I do not share the confidence of the hon. Member for Dumfries in the ability of Secretaries of State to choose. It is right for us here and now to stipulate certain categories of person who could fill the job. Therefore, I warmly support the amendment proposed by the hon. Member for Orkney and Shetland (Mr. Wallace), because it fulfils in a more specific way the more general approach that I adopted in an amendment in Committee.

Mr. Buchan: I hope that the Opposition's amendment No. 9 will be accepted, because it goes part of the same way that we are discussing in this group of amendments. It would at least write in the name of the body concerned, if the Government will not go further in regard to trusteeship as suggested by the hon. Member for Orkney and Shetland (Mr. Wallace). It would be a modest declaration of the position. I hope that the Minister will not tell us that it is unnecessary. We cannot trust future Governments any more than we can trust the present Government, and it would be useful to have the provision written into the Bill.

We have also considered the nature of the operations of the trustees. We have tried to simplify the provisions. We had a long and difficult period trying to get the Government to see sense in regard to another institution, the national library. We recognised that, in the unlikely event of the Government giving proper time for debate on a Bill of this importance, it would be difficult to have a proper discussion of it. By putting on the debate late at night the Government have disguised some of their own iniquities and made it more difficult for the complete case to be deployed. It is a great pity that an important Scottish Bill of this kind should be taken after midnight rather than in the full light of day, when proper care and attention could be given to it. It was with that expectation of the behaviour of the Government that we tabled this modest amendment.

The main purpose of our amendment No. 10 is to refer to the nature of the trusteeship and to say that we would want to achieve certain elements of continuity, rather than having a continual turnover. The interesting aspect is the comparison between the schedule, which determines the

[Mr. Buchan]

trusteeship of the museums, and the clause, which determines the board and the trusteeship of the national library.

It cannot make sense that one major national institution should be appointed entirely by the Secretary of State and that another one should be appointed on the say-so of a number of listed bodies. What is good for one should be good for the other. In one case almost as many people are appointed by the advocates of Scotland as there are appointed in the other case by the Secretary of State for Scotland. If the Secretary of State appoints nine trustees, that is almost the same as the seven or eight that the advocates have in their gift. That cannot make sense. One or the other must be wrong and I hope that their Lordships, when they look at it, will refuse to have such an intellectual inconsistency in the Bill.

The listing of the trustees in clause 17, the other relevant clause, makes no sense of any kind. One can only regard it as an historical vestige that the advocates have a certain relationship with the origins of the library. We all accept that and would like to retain it. But if we are to have the form of list given in clause 17, the Secretary of State should adopt some relevant kind of list in the schedule in regard to the museums. I hope that attention will be paid to that aspect when the Bill goes to another place, so that the two provisions may be brought into some kind of harmony. There might then be an opportunity in the other place to have a more leisurely examination of the matters that were dealt with so summarily in Committee and here this evening.

2 am

It is interesting that, while care has been taken on behalf of the Society of Antiquaries of Scotland—I do not object to that—and one or two of the obvious bodies such as the Royal Society of Edinburgh, the Convention of Scottish Local Authorities and the universities, the trade union and Labour movement of Scotland has not been brought in. The people who built the museums are not represented. Those who did the work, created our history and built those buildings are not mentioned. That is a stark contrast. We sought to mention all the groups in relation to the library; it could have been done in the amendment. We could have given that matter some consideration. Such slip-ups happen when there is such speedy action from the Government as we have in the Bill. That is another matter that will have to be considered in another place. If the amendment is accepted in this form, it will have to be changed further to be more reflective of the bulk of the people of Scotland, above all in the light of our concentration on the museum of industry.

While I respect the views of the hon. Member for Orkney and Shetland, who has attempted to make sense and bring things into harmony, which we support, and although the amendment is an improvement on the Bill, in which only the Secretary of State has the say-so, the amendment will lead to further amendment in the other place.

Mr. Allan Stewart: The hon. Member for Paisley, South (Mr. Buchan) referred to the National Library. I should like to reiterate the point that I made in Committee. With regard to that board, we are dealing with an existing institution that appears to work satisfactorily, whereas in relation to the museums we are setting up a completely new board.

I understand the reasons for the amendment tabled by the hon. Member for Orkney and Shetland (Mr. Wallace) and why he feels that bodies such as the Society of Antiquaries of Scotland and the Royal Society of Edinburgh should have a right of representation on the new board, but the points made by the hon. Member for Paisley, South showed the difficulty of agreeing a list of who should have the right of representation. My hon. Friend the Member for Dumfries (Sir H. Munro) rightly pointed to the advantages of having the maximum flexibility in arriving at decisions that will be in the interests of all aspects of the work of the national museums. It is right that trustees should be appointed for their individual contributions rather than for any particular interest that they might represent. The Bill as drafted lists a wide range of matters that the Secretary of State will be required to review when he considers the areas of expertise from which future trustees might be drawn.

Hon. Members referred in particular to the Society of Antiquaries of Scotland. They are right in recognising the special relationship that is traditionally enjoyed with the national museum. Nevertheless, having listened carefully to what has been said and read the representations that have been put to us, I believe that to include a reference to any one body or organisation, even one as closely associated as the society, would not, on balance, be sensible. It would imply that a particular outside body was entitled to be involved in the general decisions of the board.

I know that Lord Bute's advisory board, which is having further discussions with the society this week, will want to consider any other ways in which the society's long-standing interest in the work of the national museum, which is recognised on both sides of the House, can continue to be recognised in the future. I note what the hon. Member for Paisley, South said about possible debates in another place, but it would be wrong of me to speculate on their contents.

Mr. Wallace: I have listened carefully, but I am disappointed by the Minister's response. I accept that a new museum is being established, but one cannot simply ignore the history of the two bodies coming together to create it, especially the role of the Society of Antiquaries in providing the library of the national museum of antiquities.

The Minister said that he hoped to have particular regard to the ability and interests of those appointed to the board. As the hon. Member for Paisley, South (Mr. Buchan) has said, the National Library of Scotland has a whole list of people, including the Lord President of the Court of Session and the Minister of the High Kirk of Edinburgh. With all due respect to the current incumbents of those offices, there is no reason to suppose that their successors will have any special interest or ability with regard to books or libraries, but the Government seem to have ignored that inconsistency.

The hon. Member for Paisley, South suggested that the list should be extended to include representatives of the trade union movement on the new board. I have no objection in principle to that suggestion, which might also be discussed further in another place.

In view especially of the historical association of the Society of Antiquaries I hope that in the period between the Bill leaving this House and being discussed in another place the Government will think again on this.

Amendment negatived.

Amendment made: No. 8, in page 22, line 31, after 'agricultural', insert 'archaeological, artistic'. — *[Mr. Allan Stewart.]*

Mr. Allan Stewart: I beg to move amendment No. 11, in page 23, line 39, leave out sub-paragraph (5) and insert—

'(5) Where a person becomes an employee of the Board in consequence of this paragraph, then, for the purposes of the Employment Protection (Consolidation) Act 1978, his period of employment in the civil service of the State or, as the case may be, for the purposes of the National Museum of Antiquities of Scotland, shall count as a period of employment by the Board, and the change of employment shall not break the continuity of the period of employment.'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 12 to 15.

Mr. Stewart: This group of amendments follows the discussions on Second Reading and in Committee and is important in that it concerns the staff of the new institutions. I gave specific assurances to the Opposition about meeting with trade unions and I met the unions on 19 December. In the light of the exchanges at that meeting and what was said in earlier stages of the Bill, to avoid any further misunderstanding and in particular to ensure that the staff concerned know that we intend to protect their interests as far as is practicable, I have agreed to embody in the Bill the assurances that I gave on Second Reading —the so-called Chalmers assurances.

The Chalmers assurances provide that for any member of the Royal Scottish Museum who refuses an offer of employment from the new trustees a suitable post in the same grade in the Scottish Office would be sought, and that if that were unattainable the staff transfer unit of the Management and Personnel Office would be asked to seek such a post elsewhere in the Civil Service. Amendment No. 13 gives statutory backing to those assurances and has been welcomed by representatives of the staff concerned.

In addition to embodying those assurances in the Bill, the amendments remove certain other areas of possible doubt. Amendment No. 11 proposes the substitution of a new subparagraph (5) to paragraph 5 of schedule 1. That amendment, taken with amendment No. 12 to sub-paragraph (6), ensures that all staff presently employed for the purposes of the institutions comprising the national museums of Scotland and who accept the offer of employment from the trustees will have continuity of employment and any question of technical redundancy entitling anyone to a redundancy payment will be avoided.

Amendment No. 14 to subparagraph (7) ensures that not only staff who are civil servants but also those non-civil servants employed in the National Museum of Antiquities of Scotland will be entitled to appeal to an industrial tribunal if they think that the offer of employment which has been made to them by the board is on terms less favourable than those applying to them before the date of the offer.

I emphasise that none of these amendments implies any change in policy. The Government have always been firmly committed to the Chalmers assurances and it has always been our intention that the staffing provisions of schedule 1 should apply to all museums staff.

With regard to the staff of the National Museum of Antiquities of Scotland, in terms of the Chalmers assurances the Bill makes a distinction in favour of Royal Scottish Museum staff. I should perhaps explain why that is so.

Hon. Members will be aware that the Bill deals with two quite distinct groups of museum staff—there are Scottish Office staff at the RSM and those seconded to the NMAS. They are all civil servants. If they accept the offer of employment from the trustees, they will become non-civil servants. There are also the non-civil servants in the NMAS who are at present employed by a board of trustees, and who will not be changing their status. If they accept the offer of employment from the new board, they will merely change from being the employees of one board to being the employees of another.

The Chalmers assurances relate only to the first group of staff. That has always been understood. It was specifically stated in Mr. Chalmers' original letter and has always been repeated in those terms. On 10 January, however, at the meeting of the joint working party set up to consider the implications for museums staff of this Bill, the trade union side asked that consideration be given to extending the Chalmers assurances to appropriate staff of the NMAS — that is, staff certificated by the Civil Service Commission.

In fact, I fully expect all NMAS staff to accept employment with the new museums so that they can continue to develop their chosen specialties. However, I am sure that the House agrees that it is important that we do everything possible in the interests of good staff relations for the new structure. I am, therefore, prepared to meet the point made by the trade union side and to give an undertaking to NMAS staff that for any eligible NMAS staff who refuse an offer of employment, the Secretary of State will seek a post in the same grade in the Civil Service.

With that assurance, I hope that any remaining misunderstandings will be removed, that the staff concerned will feel fully reassured and that the House will be satisfied as to the Government's intention.

Amendment No. 15 gives the staff at the Royal Botanic Garden the same assurances as are given to the staff of the RSM. Since all the staff presently employed at the Royal Botanic Garden are civil servants, there is no need to make the other amendments.

I apologise for speaking at some length, but these are important matters. It is an important group of amendments. We wish to do everything possible to give the reassurances to the staff that I am sure the House will agree are correct.

Mr. Craigen: I am grateful to the Minister for giving such a full explanation of the amendments. He knows that I have expressed strong views about the way in which the issues came before the Scottish Grand Committee during Second Reading. Many of the issues should have been properly thrashed out before the Bill was even published.

I acknowledge that the Minister has gone some distance in reducing the concerns expressed by the three staff associations. There is still some uncertainty whether he has accepted some points in their entirety. There are some aspects upon which he might expand, and one relates to the NMAS. A group of curators and research staff are still

[Mr. Craigen]

a little apprehensive about the position. It would be useful to know just how active the staff transfer unit would be——

Mr. Henderson: I have heard some rumour about anxiety, but I suspect that it is about something with which we cannot deal in the Bill. Because of historical differences, there is a slight difference in grading and structure. As long as my hon. Friend the Minister draws that to the attention of the new board, that should be taken into account.

Mr. Craigen: Yes, I am hoping that these matters will be resolved by what the Minister has to tell us. However, I am sure that the hon. Member will agree that it was nonsensical that we had to discuss this matter on Second Reading and in Committee because normally, with transfer arrangements such as this, the whole business would have been cut and dried and ready for the approval of Parliament.

Schedule 1(6)*(a)* deals with a suitable alternative position in the Civil Service. It has been put to me that it would be reasonable to add on a phrase such as "or non-departmental body", as there might be people who would wish to, and could find a job with the other non-departmental bodies that have been established by the previous legislation relating to England.

2.15 am

Mr. Allan Stewart: I thank the hon. Member for Glasgow, Maryhill (Mr. Craigen) for his reception of these amendments. I confirm that we are not changing Government policy, but the trade unions wished these assurances to be given legislative form. In essence, we have accepted that. I assure him that we do not expect any difficulties, and the trade unions do not expect many either.

The staff in the NMAS to whom the hon. Gentleman referred are not civil servants, but the union did not ask that these assurances should be given statutory form, and, given that the National Museum of Antiquities of Scotland staff are not civil servants, I am sure that the House will agree that this would not be suitable. The trade unions asked for an assurance on the record, and that is the assurance that I give the House tonight.

Amendment agreed to.

Amendments made: No. 12, in page 24, line 3, leave out

'in the civil service of the state'

and insert

'as mentioned in sub-paragraph (1)'.

No. 13, in page 24, line 13, at end insert—

'(6A) Without prejudice to sub-paragraph (6) above, where a person in the civil service of the State has unreasonably refused an offer made to him in pursuance of this paragraph, the Secretary of State shall not terminate that person's employment unless he has first had regard to the feasibility of employing him in a suitable alternative position in the civil service.

(6B) Where a person continues in employment in the civil service either—

(a) not having unreasonably refused an offer made to him in pursuance of this paragraph, or

(b) having been placed in a suitable alternative position as mentioned in sub-paragraph (6A) above,

he shall be treated for all purposes as if the offer mentioned in sub-paragraph (1) had not been made.'.

No. 14, in page 24, line 17, leave out

'in the civil service of the State'

and insert

'immediately prior to the making of the offer mentioned in sub-paragraph (1)'.

No. 15, in page 28, line 40, at end insert—

'(6A) Without prejudice to sub-paragraph (6) above, where a person has unreasonably refused an offer made to him in pursuance of this paragraph, the Secretary of State shall not terminate that person's employment unless he has first had regard to the feasibility of employing him in a suitable alternative position in the civil service.

(6B) Where a person continues in employment in the civil service either—

(a) not having unreasonably refused an offer made to him in pursuance of this paragraph, or

(b) having been placed in a suitable alternative position as mentioned in sub-paragraph (6A) above,

he shall be treated for all purposes as if the offer mentioned in sub-paragraph (1) had not been made.'. — *[Mr. Archie Hamilton.]*

Motion made, and Question, That the Bill be now read the Third time, *put forthwith pursuant to Standing Order No. 58 (Third Reading), and agreed to.*

Bill accordingly read the Third time, and passed.

WELSH GRAND COMMITTEE

Ordered,

That, during the proceedings on the matter of Regional Policy as it affects Wales, the Welsh Grand Committee have leave to sit twice on the first day on which they shall meet; and that, notwithstanding the provisions of Standing Order No. 67 (Meetings of standing committees), the second such sitting shall not commence before five o'clock nor continue after the Committee have considered the matter for two hours at the sitting.—*[Mr. Archie Hamilton.]*

Ex-Miners (Unemployment Pay)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.17 am

Mr. Geoffrey Lofthouse (Pontefract and Castleford): I am grateful, even at this late hour, to have the opportunity to bring to the notice of the Minister and the House the injustice that many unemployed ex-miners are experiencing, even though the problem has been pointed out to Ministers in the Departments of Energy and of Health and Social Security.

This problem applies to 400 or 500 ex-miners. I shall give an example of one man, which will show the problems for all such men. My constituent, Mr. A. J. Robinson, on 13 February 1984, along with 20 other miners at the Kellingley colliery, was interviewed by a representative of the National Coal Board. The men were offered terms, and encouraged to take redundancy. It was explained exactly what it would mean for them if they were to accept the NCB's offer. The terms included unemployment benefit, sickness benefit, mineworkers pension schemes, and so on. It also included a weekly income. They were issued with small pieces of paper, which I have with me, telling them what day they would be put on notice, what day their notice would expire, and much more information. They were also issued with a document showing what their lump sum payments and weekly incomes would be if they accepted the redundancy terms.

Arising from that information, those men, in good faith, accepted the redundancy terms. They were told on what date their notice would expire and on what date they would be expected to sign on at the unemployment office. When they attended the unemployment office, they were told that they did not qualify for unemployment benefit, because, since they had been put on notice, there had been a strike in parts of the coalfield.

When the men were interviewed, it was not pointed out to them that, if there was a strike, they would lose their entitlements. After receiving representations from Mr. Robinson, I wrote to the Minister then responsible for coalmining, the hon. Member for Pudsey (Mr. Shaw), now the Minister of State, Home Office, who replied to me in a letter that he was aware of the matter, recognised the injustice, and had decided to act to change the rules. He assured me that the Government and the National Coal Board were determined that men who took redundancy, and therefore helped the industry towards a better future, should receive generous redundancy pay. He said that neither had any desire to see such men penalised as a result of the strike. A similar assurance was given by the Secretary of State for Energy on 25 May in answer to a written question.

On 26 November, the Secretary of State, through the Under-Secretary of State for Energy, acknowledged the injustice and presented on to the House the draft Redundant Mineworkers and Concessionary Coal (Payments Schemes) Order 1984, which ended the link between the qualification for redundancy payments and unemployment benefit. Previously, if a man wished to qualify for redundancy payments, he had to qualify for unemployment benefit. As the order ended the linkage, the Department of Energy conceded that those men were no longer employed in the mining industry and were unemployed. The fact that they received weekly redundancy payments meant that they were unemployed.

In the debate on 26 November anxiety was expressed by hon. Members on both sides of the House—none more forcibly than the hon. Member for Staffordshire, South (Mr. Cormack), who had received similar complaints from his constituents. That order went some way to redress the injustice, but it did not go all the way, because these men are still not receiving unemployment benefit. I understand that the adjudicator who dealt with their cases believes that the men are in some way involved in the strike. That is not the case. After Mr. Robinson had appealed against the Department of Employment's decision to disallow unemployment pay, the Department wrote to him on form UB 123 on 7 June 1984:

> "The claimant is disqualified from receiving unemployment benefit . . . because he has lost employment owing to stoppage of work which was due to a trade dispute at his place of employment."

But Mr. Robinson has no place of employment. He was not on the colliery books. The Department of Energy has conceded that. Mr. Robinson received form RP 3 from the NCB informing him of his entitlements. That form stated that his employment had ended on 14 April 1984.

I understand that the Department of Employment has used section 19 of the Social Security Act 1975 to deny those people their entitlement. Section 19 (1) states:

> "A person who has lost employment as an employed earner by reason of a stoppage of work which was due to a trade dispute at his place of employment shall be disqualified for receiving unemployment benefit so long as the stoppage continues, except in a case where, during the stoppage, he has become bona fide employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation; but this subsection does not apply in the case of a person who proves—
>
> *(a)* that he is not participating in or financing or directly interested in the trade dispute which caused the stoppage of work; and
>
> *(b)* that he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at his place of employment any of whom are participating in or financing or directly interested in the dispute."

Mr. Robinson is certainly not participating in the dispute. He is off the books. Even if he had wished to do so, he could not have returned to work. He is unemployed. He is unemployed not because of the stoppage, but because the NCB offered him redundancy pay.

It appears that the Department of Employment is hanging its cap on the provision that, to qualify for benefit, a claimant must prove that he has not participated in, financed, or been directly interested in the dispute. If that is the case, those men feel that they were deceived in their interviews, and I share that view.

Section 19 of the 1975 Act has been the subject of much case law. In the past couple of days, I have been looking at "Neligan's Social Security Case Law" and some commissioners' decisions. My researches have not uncovered any identical decisions. The closest involves a 60-year-old claimant who was given notice by the NCB that his employment as a salvage worker would end on 20 January. Meanwhile, a national coal strike had begun on 9 January and the claimant withdrew his labour, along with other members of the NUM.

There is not a national coal strike. Nearly one third of the miners have been working throughout. Many of the miners at the colliery where my constituent worked are

[Mr. Geoffrey Lofthouse]

working. Who is to say that if he had not been taken off the books and made redundant he would not be working now? But he is not working because he cannot do so—he is unemployed.

I think that I can anticipate some of the Minister's answers, but the Department of Energy has acknowledged the injustice and produced regulations to put right its side of things. I suggest that the Department of Employment or the DHSS has an obligation to those men not to stick rigidly to the regulations, as the adjudicator seems to be doing. I hope that the Minister will consider the issue carefully and will apply pressure in the right quarters.

There is great concern in the areas involved. My local newspaper, the *Pontefract and Castleford Express*, ran a big headline on the subject:

"Row over Pitmen's Loss of £2,000."

Thus, the local newspapers have also expressed concern.

My hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) received a letter from the Secretary of State dated 10 January 1985, in which he refers to a letter sent by my hon. Friend involving a similar case. In his last paragraph the Secretary of State writes:

"I understand that the National Coal Board have appealed against the Social Security Appeal Tribunal's decision to disallow Mr. Weatherill's claims to the Social Security Commission. I am afraid that I am unable to predict the outcome or intervene for the reason that I have already given."

Perhaps the Minister can tell us what the case is. Are those involved NUM members, part of management, or do they belong to some other category? I should be interested to know.

However, I hope that the Minister will give serious consideration to those men who have served the industry for 40 years or more and who took their redundancy terms in good faith, which I believe were offered to them in good faith by National Coal Board officers. I hope that the hon. Gentleman will use his powers to bring an end to this injustice.

Mr. Alec Woodall (Hemsworth): I am most grateful to my hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse) for giving me permission to contribute briefly to the debate. I wish to draw an entirely different case to the attention of the House, which involves miners who have been dismissed by the NCB for some minor misdemeanour. As hon. Members with mining interests will know, once an NCB employee has been dismissed for any reason—even for petty pilfering, and before he has appeared in court—he will never again be employed by the NCB. He is taken off the books and stays off the books.

During the current dispute many men have been accused of, and sometimes charged with, minor misdemeanours such as petty pilfering, the stealing of little bits of coal with which to warm their houses or even firewood. They have been dismissed and are off the colliery books, yet they are classed as striking miners and are not allowed to sign the register as unemployed. They are doubly punished for their misdemeanours. They lose their jobs and are then taken to court where a sentence is imposed for pilfering.

Another dimension to this issue was brought to my attention only a few days ago by a probation officer employed in the Wakefield district service. It involved a young apprentice miner who had committed an act of petty pilfering and who was immediately sacked by the NCB. When he heard of it, the colliery manager was very dismayed, because he knew the lad had a good intellect and was a good prospect for the NCB. He was of exemplary character and would have made quite a career for himself in the NCB. The manager was so upset that he wrote to the young man saying "Not to worry. When the strike's over, you come and see me and I shall see that you get your job with the National Coal Board back." That was his mistake. That letter got into the wrong hands. The colliery manager's superiors got hold of it and the colliery manager received a letter saying in no uncertain terms that if, when the strike is over, he re-employs this young fellow, he, the manager, will be sacked—and no two ways about it.

What is the NCB trying to do? The young man was guilty only of petty pilfering. He has lost his job with the Coal Board and lost his career. The probation officer drew the case to my attention because the young man has been before the court, is out of a job and wants to take part in a youth training scheme. He cannot, because he is not unemployed. He is not allowed to sign the register. Because he is not unemployed he cannot take part in a youth training scheme to try to build another career for himself. He is being doubly punished for his small misdemeanour. I appeal to the Minister to state that if a man commits a crime, whatever it is, and is dismissed by the Coal Board, he has been sacked, he is no longer employed by the board and never will be.

In many areas the local colliery is the only place of employment for men. This young fellow lives in an area of high unemployment and he cannot even take advantage of the Government's youth training scheme because he is not unemployed although he is off the board's books and has no chance of getting a job. I beg the Minister to examine the matter.

2.36 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I recognise that of the many social security issues that have arisen during the current coal mining dispute, one of the most difficult is that which has been raised tonight by the hon. Member for Pontefract and Castleford (Mr. Lofthouse)—the problem of the payment of benefit to those miners who have left the industry and are now unemployed. I am grateful to the hon. Member and the hon. Member for Hemsworth (Mr. Woodall) for allowing me to explain the position.

I shall deal first with unemployment benefit. I remind the House that the relevant legislation is an Act introduced by the last Labour Government. Section 19 of the Social Security Act 1975 provides that a person who has lost employment as a result of a stoppage of work due to a trade dispute at his place of employment is disqualified from receiving unemployment benefit unless he can show that he is not participating in or directly interested in the trade dispute which caused the stoppage of work.

A rule of this kind has been part of the national insurance scheme since 1948—also of course a year of Labour Government—and before that it was a feature of unemployment insurance in a slightly different form from 1911, which was a year of a Liberal Government. Once a person has lost employment as a result of a trade dispute he remains disqualified from receiving unemployment benefit for as long as the stoppage of work resulting from

the dispute continues. He can escape disqualification only by becoming bona fide employed elsewhere in his normal occupation or regularly employed in another occupation. Of course, decisions on whether a person is disqualified from receiving unemployment benefit are for the independent adjudicating authorities and Ministers have no power to intervene in this process.

The hon. Member for Hemsworth referred to a number of matters which fall within the responsibility of the NCB and to some extent of my right hon. Friend the Secretary of State for Energy. However, individual benefit claims arising from the loss of work relating to the trade dispute do fall within the realm of adjudicating authorities.

I should like to emphasise that there is no question of any special harsh or invidious treatment of miners or their dependants. Indeed, I remind the House that about £29 million has already been paid in supplementary benefit to miners' families. In the case of redundant mineworkers, far more claims to unemployment benefit have been allowed than disallowed over the past nine months or so. Therefore, there is no question of our seeking to use the social security system to penalise miners or ex-miners.

Nevertheless, there can be complications for someone, not just a miner, who becomes redundant during the course of a trade dispute. For example, a person whose redundancy comes into effect while he is on strike, whether he was given notice before or after the strike started, is disqualified from receiving unemployment benefit until the dispute ends. A striking miner who returns to his job and later becomes redundant is still disqualified when the redundancy takes effect until such time as the dispute ends. That is the effect of section 19(1) of the Social Security Act 1975 and the interpretation put upon it in the past by the social security commissioners whose decisions form case law, which is binding upon both adjudication officers and appeal tribunals.

I am aware that the way in which the law works can seem unfair in some cases, such as those referred to tonight, and I have particularly in mind those miners who were absent for only one or two days at the start of the dispute and, in some cases, where they had done everything possible to get to work but were physically prevented from doing so. A number of such cases are now awaiting hearing by the social security commissioner.

If a claim for supplementary benefit is made by a miner in the circumstances that I have described, the supplementary benefit adjudicating officer has to take account of any decision concerning the trade dispute which has been made for unemployment benefit purposes. If a decision about the unemployment benefit position has not yet been taken, or an appeal is pending, any supplementary benefit claim has to be dealt with meanwhile on the assumption that the decision will be adverse.

One other issue has arisen regarding redundant mineworkers which I ought to mention and which highlights the fact that mineworkers who are made redundant are normally in a far better position than workers in other industries. That is because, as the hon. Member for Pontefract and Castleford recognised, they are entitled to redundancy payments under the redundant mineworkers payments scheme.

Those weekly payments could be made only if the individual satisfied the conditions for receiving unemployment benefit. The effect of those rules and social security legislation together was that miners who had been involved in the strike were not entitled to unemployment benefit, and therefore were not entitled to weekly redundancy payments. Department of Energy Ministers, as has been acknowledged, introduced an amending order which took effect on 7 December to rectify that situation.

The result is that redundant mineworkers now receive their weekly payments from the National Coal Board despite the trade dispute disqualification from receiving unemployment benefit. By the same order my right hon. Friend the Secretary of State for Energy was given powers to make discretionary payments to miners who had not been able to receive such payments before the amendment order came into operation.

However, the position regarding unemployment benefit remains as I explained earlier, and the disqualification from receiving benefit continues to apply until the stoppage of work at the claimant's place of employment comes to an end or until the claimant obtains bona fide employment elsewhere in his occupation or he becomes regularly employed in another occupation.

I fully appreciate that the situation that I have described has been a source of serious concern to hon. Members on both sides of the House. To a large extent, though, that is because the adjudication authorities have had to apply the statute law in situations not met before and they have had to follow case law which was decided in different circumstances, although close enough to make it binding now.

After all, we are dealing with a dispute of unprecedented length, involving violence and intimidation on a scale not previously witnessed in this country. We would not, therefore, want to undertake hastily or lightly any revision of section 19 of the Social Security Act 1975, which, I remind the House, was passed by a Labour Government.

We shall, of course, look very closely at the outcome of the social security commissioners' decisions on the cases now going to them, and in the end we may well have to amend the law, or certain aspects of it; but I should remind the House once again that we are talking about legislation which is based on principles which go back to 1911, and which have been recognised as sound by previous Administrations of all political colours.

I hope that both hon. Gentlemen who have spoken will recognise the force of the case. I recognise the problems caused by individuals, but we must accept at the end of the day that this situation has arisen because of the extraordinary length of the strike and the pressure brought on these men by other members of the National Union of Mineworkers. I also remind the House that special arrangements have been made by the Government, as witnessed by the changes to the operation of the miners' redundancy scheme.

Question put and agree to.

Adjourned accordingly at fifteen minutes to Three o'clock am.

House of Commons

Tuesday 15 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON TRANSPORT (TOWER HILL) BILL *[Lords]*

Order for Third Reading read.

Queen's Consent, on behalf of the Crown, signified.

Read the Third time and passed, with amendments.

Oral Answers to Questions

SOCIAL SERVICES

Cervical Cancer Screening

1. **Mr. Chris Smith** asked the Secretary of State for Social Services whether he is satisfied with the provision for cervical cancer screening in Islington.

The Minister for Health (Mr. Kenneth Clarke): Health authorities are responsible for operating the cervical screening programme within their own districts. I understand that there is concern about the scope of the recall arrangements in Islington. We are taking this up with the authority and I shall write to the hon. Member when the inquiries are completed.

Mr. Smith: Does the Minister agree that this area of health care is of great importance to women? Does he further agree that until we get proper recall systems throughout the country, and a proper call system for women to be screened for this form of cancer throughout the country, the provision of services will be inadequate? Does he have any intention of providing funds to district health authorities to enable them to make such provision?

Mr. Clarke: I agree that cervical cancer is a major cause of avoidable death. We shall do everything possible to continue to reduce deaths caused by it. We have given advice to all district health authorities, asking them to set up effective recall systems, especially for priority groups of women who are most at risk. We shall take up with Islington the fact that, although it has arrangements, they do not seem to comply with our guidance. I shall write to the hon. Gentleman about that. Call systems require an authority or a practice to have an adequate age-sex register of their patients, but not all of them do. As we make more advances with the computerisation of family practitioner committees, and as better information is available to them, I hope that we shall move towards the introduction of call systems if research shows them to be effective.

Mr. Dobson: Will the Minister confirm that Camden and Islington FPC is not unique in not having a scheme? Will he confirm that more than 25 per cent. of FPC areas have no schemes whatever?

Mr. Clarke: The schemes vary. Good local schemes are much more effective than the national scheme that we replaced. Islington is operating a scheme but it is not of the form that we have recommended and we are asking it why it does not introduce an automatic recall scheme for at-risk groups every five years. We have just reminded authorities again of their duty to have a local recall system. As we advance further with computerisation and get new FPCs going I believe that we shall get them all up to the standards of the best.

Dr. Glyn: Although my right hon. and learned Friend has asked local authorities to examine their recall systems, what powers of enforcement does he have?

Mr. Clarke: We do not use legal powers in this area. We give guidance and instructions and inform authorities of their duty to have a local recall system. I do not find resistance to the idea at local health authority level. We are merely ensuring that we encourage all of them to make progress.

Social Security Reviews

2. **Mr. Andrew Bowden** asked the Secretary of State for Social Services if he will make a statement on the current state of his social security reviews.

The Secretary of State for Social Services (Mr. Norman Fowler): I am currently considering the work which has been done on pensions, benefits for children and young people, supplementary benefit and housing benefit. I hope to be in a position to announce proposals for change in the course of the next few months.

Mr. Bowden: I fully accept the need for such reviews, but will my right hon. Friend bear in mind that it would be quite wrong if, to obtain some limited savings on administration by streamlining certain areas, he dovetailed various allowances into one level, which meant that those on the highest level no longer received them? Can he assure me that those who get the maximum amount will not be affected, as they are inevitably those who are in the greatest need?

Mr. Fowler: One of the aims of the reviews is to bring help to people in the greatest need. I shall have to ask my hon. Friend to wait and see in regard to the proposals. I shall not make commitments on that or any other benefit.

Mr. Park: What is the primary purpose of these reviews? Is it to save money, or to discover whether the services are adequate?

Mr. Fowler: The reviews have a whole range of purposes. One of the first is to see whether we can reduce the complexity of the system, which I think the hon. Gentleman will agree is bad for claimants and expensive to administer. A second purpose is to ensure that we are making best use of available resources and channelling them to the people in most need.

Mr. Marlow: Does my right hon. Friend agree that one of the best ways to alleviate the problem of family poverty is to provide some sort of an allowance for those mothers who stay at home to neeslook after their children? Will he talk to his right hon. Friend the Chancellor of the Exchequer with a view to transferring some of the cash from the married man's allowance to those spouses who are not in employment and who stay at home to look after children?

Mr. Fowler: I hear what my hon. Friend says. I am talking and will talk to my right hon. Friend about the inter-relationship of benefits and taxes.

Mr. Gordon Brown: Will the Minister confirm that among the recommendations of the social security review committees is the abolition of heating additions, and that this could be the last winter that pensioners receive heating allowances, no matter how cold the weather? If, as he has admitted to me in an answer published today, Treasury officials are attending meetings of the social security review committees, how will it be possible for him to resist the Treasury's insatiable demands for public spending cuts?

Mr. Fowler: As to the first part of the hon. Gentleman's question, as I said, I am not making commitments on particular benefits. As to the second part, not just Treasury Ministers or officials, but officials and Ministers from other Departments and people from outside Government are attending. If the House contrasts that with what the Labour Government did in 1978 when they had a review of supplementary benefit carried out entirely by civil servants, it will agree that the way in which we have approached this matter is infinitely superior.

Mr. Galley: I am grateful for my right hon. Friend's assurance about simplification. In seeking to simplify the system, will he seriously consider the possibility of a simple minimum income support system to replace the current complex supplementary benefit, which acts as a gateway to a plethora of other benefits which, in turn, increase the poverty trap and allow some people to milk the system?

Mr. Fowler: A whole range of proposals have been put forward around that idea. They will be considered.

Mrs. Beckett: Does the Secretary of State admit that for two reasons the reviews are of limited value only? The first is the no-cost theme which pervades them all, and the second is that he and his Department persist in introducing changes which will be disadvantageous to claimants on pensions or benefits without waiting for the result of the reviews? I have in mind the proposal contained in the Social Security Bill, through which 44 per cent. of those who receive invalidity benefit will lose out. How can the Secretary of State claim that the reviews are fundamental when he is making such changes all the time?

Mr. Fowler: The hon. Lady must recognise that we cannot stop all change inside the social security system while the reviews take place. The point of the reviews is to have a new look at the whole of social security. It is the first time that it has been done for many years. It is long overdue, and I am surprised that when the Opposition were in government they did not do something of the same kind.

Secure Psychiatric Units

3. **Mr. Kilroy-Silk** asked the Secretary of State for Social Services if he will make a statement on progress in establishing regional secure psychiatric units.

Mr. Kenneth Clarke: By the end of 1984 seven permanent regional secure units were open. These will eventually provide a total of 264 places, of which about 120 are now staffed and available. In most units, the places are being brought into use in stages. Seven further permanent units providing in total a further 141 places were completed and undergoing commissioning. These units are expected to admit their first patients in the spring. In addition, two pemanent units providing a total of 128 places are under construction and are expected to be completed during 1985. Four further permanent RSUs, providing over 170 places, are at various planning stages.

Mr. Kilroy-Silk: Is it not an absolute disgrace and scandal that, over a decade after the Butler committee recommended the establishment of such units as an urgent national priority, regions such as Oxford, North-East Thames and the West Midlands still do not have units despite having received millions of pounds from the Government, and patients from their regions are detained unnecessarily and inappropriately in special hospitals and prisons? Will the Minister ensure that those regions establish units for mentally disordered patients?

Mr. Clarke: The hon. Member has pressed me on this matter for some time and I have considerable sympathy for some of the points that he makes, but, with respect, his complaints are getting out of date. I have announced a programme which at least is achieving substantial success. We shall have 600 places by 1985. Recently I took up the matter of Oxford region at the regional review which I conducted with the chairman and officials of that region. We set them the priority task of coming back with plans to catch up with the rest.

Mr. Richard Alexander: May I assure my right hon. and learned Friend that his statement will receive a wide welcome from those who are interested in these matters. Is he aware that those who are working in the special hospitals are particularly concerned about the commitment of the Government to regional secure units? Will he consider further the possibility that if areas do not wish to have regional secure units in their communities they should be put into existing special hospital grounds?

Mr. Clarke: I agree with my hon. Friend that we should regard regional secure units as part of a range of treatment, ranging from the ordinary psychiatric hospital in the National Health Service, which should deal with many difficult patients who needs secure accommodation, all the way across to the special hospitals which deal with the most difficult patients. We are not laying down a blueprint for every region. They can adopt their own approach. However, all of them must have regional secure units as one part of a range of care, all of which is very important.

Pensioners (Heating Assistance)

4. **Mr. Winnick** asked the Secretary of State for Social Services what representations he has recently received about financial assistance for pensioners for heating purposes.

15. **Mr. Andrew F. Bennett** asked the Secretary of State for Social Services how many representations he has had about problems of lack of heating for elderly people and for families with children as a result of the changes in the heating regulation for supplementary benefit.

The Minister for Social Security (Mr. Tony Newton): In November there were changes to the rules for paying supplementary benefit weekly additions for special needs, including heating additions, to pensioners and others receiving the higher long-term rate of benefit. At

the same time we extended age-related heating additions to supplementary pensioner householders aged between 65 and 69 and introduced an enhanced heating addition for those aged 85 or over. Heating additions in respect of children were not affected. Since 18 June, when my right hon. Friend announced the changes, we have received about 1,070 letters, including some 680 from hon. and right hon. Members, about the changes.

Mr. Winnick: Is the Minister aware of the misery that is faced by so many pensioners during this very cold spell who simply do not have enough money to keep their homes adequately heated? They turn off the heating, wrap themselves in blankets and go to bed very early. Instead of cutting £1 from the heating addition given to those elderly pensioners who need that amount to help them more, why do not the Government recognise the problem involved and give the necessary assistance?

Mr. Newton: It is precisely because of our conern over this problem that we have massively increased heating additions by comparison with the piffling scheme that the last Labour Government left behind. When the hon. Gentleman refers to those elderly pensioners who are most in need, may I remind him that part of the package was an increased heating addition for those aged over 85 which has given to them an extra £2.10 a week.

Mr. Bennett: Will the Minister remind the House of how much last June's change in the regulations saved the Government?

Mr. Newton: The net saving of the change in the regulations in this respect last June, which covered not only heating additions but all additional requirement payments, was of the order of £60 million.

Mrs. Jill Knight: Is my hon. Friend not aware that the answer he has given means that there are people aged between 70 and 85 who are disadvantaged by the new arrangements, and that it is wholly unacceptable to any side of the House that elderly people in this age group should have suffered cuts in their heating benefits, as Department of Health and Social Security officials have confirmed?

Mr. Newton: I understand what my hon. Friend says, but I must ask her to bear in mind that the original rationale of this deduction was the full difference between the short and the long term rates of supplementary benefit. That is how it was introduced by the Labour Government. On that basis, the deduction would now be not £1 but £11 for a married couple.

Mr. Speed: Is my hon. Friend aware that the special supplement that he announced yesterday apparently will not apply to Kent, yet Kent has been hit worst by the weather in the past fortnight? That is met with incredulity by many many people in Kent, because there are many elderly pensioners in my constituency. Is my hon. Friend satisfied with that situation?

Mr. Newton: Frankly, the exceptionally severe weather payments regulation is a pretty weird and wonderful construction. It is operated as best it can be operated on the basis of objective advice from the met office by the chief adjudication officer and I cannot go beyond that.

Mr. Robert Hughes: Following yesterday's announcement that East Anglia and some parts of southern England are to get special payments, and that the hon. Gentleman's Department is to publicise those payments and invite claims, is he not aware that many other parts of the country are facing serious weather conditions? What steps is his Department taking to draw to the attention of local offices the need for such payments? Would it not be outrageous if claimants throughout Britain were not treated on an equitable basis? Will the hon. Gentleman agree to meet a delegation of Labour Members, especially from Scotland, to discuss the matter?

Mr. Newton: It cannot be said to be inequitable to operate a regulation on the basis of objective advice from the met office weather stations assessed by the chief adjudication officer. If the hon. Gentleman and some of his hon. Friends wish to meet me or my hon. Friend the Member for Wycombe (Mr. Whitney), or both of us, of course we shall do that.

Sir Anthony Meyer: Is my hon. Friend aware that the Government's excellent record in caring for the elderly is being disproportionately damaged by the withholding of fuel allowance from some categories of the elderly? Will he urge his colleagues to think again on that issue?

Mr. Newton: I must make it clear that that applies to all additional requirements. Therefore, the effect varies according to what range of additional requirements exist. Some pensioners' heating allowances will have been affected only to the extent of 50p. I must repeat the underlying rationale and emphasis that part of the package was to enable us to extend heating additions automatically to all supplementary pensions to those over 65 and not least to give extra help to those most likely to be most in need, the over-85s.

Mr. Wilson: Is it not a perversion of social justice that a minor cold snap in the south of England can trigger off exceptional payments, when it can cost up to 30 per cent. more to heat a similar type of house in Aberdeen as a matter of general conditions? Should there not be a complete review of the heating additions so that claimants receive the benefits to which they are entitled according to climatic requirements so that, wherever one lives in the United Kingdom, one's house is heated to a reasonable standard?

Mr. Newton: I understand that the hon. Gentleman had a long talk with my hon. Friend the Member for Wycombe (Mr. Whitney) about those matters last year. The very fact that, as measured under the regulation, the weather now is more severe in the south than in the north illustrates the difficulty of some blanket assumption that it is always more serious in the north. If the hon. Gentleman were to ask me to have a further look at the working of the regulation, that would be very much the kind of point my right hon. Friend the Secretary of State has in mind in the social security review.

Mr. Roger King: Will my hon. Friend give some consideration to concentrating heating allowances during the winter months when they are desperately needed perhaps at the expense of not offering any additional heating benefit during the summer months?

Mr. Newton: I shall certainly consider that point.

Mr. Meacher: Since the Government have now spent nearly £5 billion on the coal strike, do they still believe that that is a good investment for Britain, when the alternative

could be the use of surplus coal stocks by providing every pensioner in Britain with a Christmas fuel allowance bonus of £100 for each of the next five years? Is not the eradication of hypothermia a much better investment for Britain than the present destructive use of our scarce fuel resources?

Mr. Newton: There have been few things more depressing this year than the Opposition's persistent support for policies which were bound to result in more expensive coal, to the disadvantage of pensioners.

Single Payment Claims

5. **Mr. Pike** asked the Secretary of State for Social Services if he is satisfied with the present arrangements for dealing with single payment claims by his Department.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): We are broadly satisfied with the existing arrangements, given the complexity of the regulations, but one of the aims of the social security reviews to which my right hon. Friend the Secretary of State has referred is to simplify and improve the working of supplementary benefit generally.

Mr. Pike: Does the Minister accept that, in the main, the people applying for single payments are the most deprived and the most in need of urgent assistance? Does he really expect them to wait for a Government review? Does he agree that urgent action should be taken to ensure that it is made easier for those people to obtain the help that they need immediately, without having to wait?

Mr. Whitney: I am satisfied that the regulations are being applied efficiently and with urgency where appropriate. The appeals system is also working effectively. Nevertheless, we recognise that there is reason for improvement. That is why we have launched the reviews of the social security system which, as my right hon. Friend said, are somewhat overdue

Mr. Howard: A few moments ago my hon. Friend the Minister for Social Security described the emergency heating regulations which form part of the single payment regulations as "weird and wonderful". Does my hon. Friend accept that they should be examined with some urgency? In particular, will he investigate the reason for the exclusion from the arrangements announced yesterday of Kent and, in particular, my constituency, which is among the areas worst affected? Will he ensure that the regulations are brought into some discernible relationship with reality?

Mr. Whitney: As my hon. Friend the Minister for Social Security acknowledged, we recognise the complexities of this, but I refer my hon. and learned Friend to the criteria published in the "S Manual", which is available in the Library.

NHS (Annual Report)

6. **Mr. Christopher Hawkins** asked the Secretary of State for Social Services what response there has been to the publication of the first annual report on the National Health Service.

Mr. Kenneth Clarke: The report has been widely welcomed as a clear description of the developments and achievements of the Health Service in England over the past five years and of some longer-term trends over the past decade.

Mr. Hawkins: Does my right hon. and learned Friend agree that the main conclusion to be drawn from the report is that we have significantly expanded the Health Service and that it is safe in our hands? Will he ensure that if the annual report is repeated in future years more emphasis will be given to the performance of the Health Service in the regions, rather than just the national position?

Mr. Clarke: I agree with my hon. Friend. The report focuses attention on the real measure of what is happening in the Health Service—the number of patients treated and the results in patient terms. The report shows that in 1983 alone 300,000 more inpatients were treated in our hospitals, which is a bigger increase than the Labour Government achieved in five years. I agree that future annual reports should show more on progress, perhaps broken down by regions.

Mr. Meadowcroft: I recognise the usefulness of the report, but is not one of its defects the fact that it fails to evaluate whether the people of this country are actually healthier, and merely seeks to determine whether more people have been treated, which is far from the same question?

Mr. Clarke: The health status of this country remains extremely good. I see no evidence that people are getting more ill. There is, however, evidence that the Health Service is providing ever more treatment.

I agree that we should consider how to give more emphasis to preventive medicine so that people do not become sick in the first place, as my hon. Friend suggested yesterday. We are concentrating on all those areas because the purpose of the entire system is to look after the health of the country.

Mr. Eggar: I welcome the annual report. May we hope that future reports will set clear performance targets for each region and assess performance against those targets?

Mr. Clarke: We are devoting a great deal of work to producing a credible means of measuring the performance of authorities. That is now well advanced and the sooner we can put it in place and have a real means of comparing performance in different areas the better it will be for all of us, including the service and the patients.

Mr. Carter-Jones: Does the Minister accept that the whole House would approve that part of the report which describes the advantages of taking elderly people out of hospital and into the community? Will he tell the House now or publish in the *Official Report*, the impact of rate-capping on that highly desirable exercise?

Mr. Clarke: I am grateful for the hon. Gentleman's support of our policy of care in the community, which reduces the number of unnecessary long-stay hospital patients and provides better facilities elsewhere in the Health Service and in the community. I do not believe that rate-capping need have any impact on that. Rate-capping affects the totality of local authority expenditure. It affects the expenditure of those local councils which are spending excessively across the whole range of their activities. It is thus quite wrong to suggest that its impact need affect desirable community care, which other authorities provide without getting into trouble with rate-capping.

Mr. Churchill: While I warmly welcome the positive step that the Government have taken to increase the number of kidney donor transplants, is my right hon. and learned Friend aware of the great anxiety about the inadequate provision of dialysis? Does he accept that it is wholly unacceptable, given the resources already within the Health Service, that each year several hundred people are condemned to death by the failure to provide a known treatment?

Mr. Clarke: Throughout our period of office we have recognised the need for more renal treatment and have given it a high priority. The figures show that we are increasing the number of patients substantially each year. Now that our new drive is going forward on the transplant programme in particular, the transplant figures are extremely encouraging. Obviously we have further to go. With respect to my hon. Friend, the figures that he quoted in the second part of his question are of an elastic quality, because we depend on a mass of statistics. His emotive language is not justified by facts from hospitals. It is not necessary to dramatise the case in that way or to persuade us of what we already know, which is that there is a need to continue to develop the kidney services.

Mr. Meacher: How does the Minister justify blocking the appointment of general managers whom Conservative health authorities wish to appoint, for example, in the Oxford region and Lambeth, when at the same time he insists on appointing as chairman of the NHS management board a man who, at his press conference, admitted that he knows little about the NHS and always uses private health insurance for his family, and whose immediate background is confined to the Port of London Authority and the National Freight Corporation?

Mr. Clarke: We shall come to questions about the specific issues later. The point is that if we are to improve the service, put more money into it and get better value for money we must, among other things, improve its management. With a good, cost-effective management more patients are treated, whatever resources are available at a given time. It is wrong for the hon. Gentleman to question us, although he is entitled to do so, about what he perceives to be inadequacies in the service, and then to say that Ministers should not take a view about who holds key posts within it. Presumably, the hon. Gentleman prefers jobs for the boys, Buggin's turn, to allow NALGO to dominate the process, or whatever else takes his fancy. The new general manager of the NHS has an excellent track record of management, which is now being put at the service of the NHS and its patients. That is a wholly welcome development.

Ancillary Services

7. **Mr. Hargreaves** asked the Secretary of State for Social Services what savings have been achieved through putting ancillary services out to competitive tendering.

12. **Mr. Parry** asked the Secretary of State for Social Services if he is satisfied at the speed health authorities are dealing with privatisation in the National Health Service; and if he will make a statement.

Mr. Fowler: I am satisfied with the progress being made by most health authorities in drawing up and implementing their programmes for competitive tendering. We have asked health authorities to provide us with up-to-date figures on savings, but information available to us so far suggests that the policy will result in savings of nearly £20 million over the next three years.

Mr. Hargreaves: I welcome the news that savings are to be made. That is good news for patients, because of the increasing demands on the Health Service. What plans does my right hon. Friend have to extend competitive tendering to other sections of the Health Service?

Mr. Fowler: Our first priority is to ensure that the programme of competitive tendering for domestic services in the Health Service is continued and brought to a conclusion in 1986-87. That is our aim. There are substantial further savings still to be made. As my hon. Friend said, the point of savings is that the money saved goes to patient care. That is what our policy is about, and the House is beginning to see it work.

Mr. Willie W. Hamilton: Is the Secretary of State not worried that at least 40 Conservative Members have direct financial interests in profiteering from the privatisation of these services? Does he not recognise that the code of conduct laid down for local councillors at local level is much more stringent than it is for hon. Members of this House, who can go into the Lobby and vote to line their own pockets?

Mr. Fowler: I am much more concerned that some Labour Members take their line from trade unions such as COHSE and NUPE and apply an entirely uncritical attitude to those policies.

Mr. Maclean: Is my right hon. Friend aware that some health authorities may be including unnecessarily restrictive clauses in their tendering documents, which are designed to ensure that private companies cannot compete and that contracts are awarded to in-house, fully unionised labour?

Mr. Fowler: I shall consider any points that my hon. Friend may wish to raise with me. Of course, in some instances, the in-house organisation will produce a better price and a better service. That is also part of the policy of competitive tendering and it provides savings for the Health Service.

Mr. Dobson: Will the Secretary of State avoid grotesque exaggeration of the savings that may result from privatisation? Will he avoid misleading the House as the Minister for Health did on 23 July last year, when he told me that Merton and Sutton had made estimated savings of £126,000 compared with the in-house tender. That health authority has told me in writing that there was no in-house tender with which to compare the tenders that it had received, as the Minister had said. He said that Medway had saved £357,000 compared with the in-house tender, but that health authority told me that the figure is only £102,000. He said that north Warwickshire had saved £70,000, but the figure is £22,000.

Mr. Fowler: The hon. Gentleman is fighting the battles of yesterday's debates. We have asked health authorities to provide us with up-to-date figures on savings, and I shall ensure that those figures are at the disposal of the House. I hope that the hon. Gentleman will not continue to take the absurd position that there is a monopoly of skill in cleaning and domestic services inside the Health Service, and that he will support this sensible programme, which means that more money will go to patient care.

Health Education

8. **Mr. Dormand** asked the Secretary of State for Social Services whether he will make additional resources available to improve the health education services; and if he will make a statement.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): Since 1979-80 the Government have increased funding of the Health Education Council from £4·5 million in that year to £9·1 million in the current financial year. This is an increase of 39 per cent. in real terms. The council's funding for 1985-86 is currently under consideration.

Individual health authorities determine the resources to be made available in their districts for local health education. We have been encouraged by the substantial increase in the number of health education officers employed by the NHS in recent years.

Mr. Dormand: Despite what the Minister says, when will the Government take health education seriously? The Minister knows that, despite what he said, there is no successful continuing health education service. Will he have new consultations with the British Medical Association, the Health Education Council and health education officers in order to provide a better service? Does he agree that a net saving could be made in the Health Service if we had an efficient health education service?

Mr. Patten: Uncharacteristically, the hon. Gentleman has ignored my answer and has completely ignored what is happening in health education in the regions and districts. In most regional health authorities, health education is part of the regional strategic plan, and almost every district health authority has a health education officer. Great steps have been made by the Government's preventive policies, and more has been achieved on preventive medicine by this Government than by any other.

Mr. Coombs: Is my hon. Friend aware of the Tesco initiative on food labelling that was announced last week, and does he welcome it? Does he recognise that the need for health education is made even greater if there is to be a proliferation of such initiatives, leading perhaps to extra confusion for the consumer?

Mr. Patten: Food manufacturers recognise the public concern for greater knowledge about the contents of the food that they eat, and the demand for better food labelling. That is why my right hon. Friend the Minister for Agriculture, Fisheries and Food is consulting the food industry on this important matter, so that he can draw up guidelines which will be easily understood by the consumer and which will not lead to the confusion to which my hon. Friend referred.

Geriatric Services

9. **Mrs. Peacock** asked the Secretary of State for Social Services what increase there has been in the number of inpatients per available bed in the geriatric services.

Mr. John Patten: The number of inpatient cases treated per available bed in NHS hospital geriatric units in England rose from 4·2 in 1978 to 5·8 in 1983.

Mrs. Peacock: Does my hon. Friend agree that this is a good sign of the hospital care that has been extended to our elderly people, and can he confirm that sufficient funds will be made available for their care in the community subsequently?

Mr. Patten: Yes, we are totally committed to the promise in our 1983 election manifesto to make better health and care for the elderly our great priority. That is why, in geriatric care, we have increased the number of nurses by 11 per cent., the number of consultants by 17 per cent. and the number of senior registrars by 43 per cent. since 1979. That is a considerable record by any Health Service standards.

Mr. Eastham: Instead of the Minister playing the numbers game on geriatric care, should he not pay attention to the fact that geriatric hospitals are the worst in the medical service, with antiquated wards and inadequacies in the provision for geriatric patients? Is it not about time that we spent far more money in this sector?

Mr. Patten: It has been the case, as the hon. Gentleman says, that long-stay geriatric hospitals have often been the part of the National Health Service that has been ignored. My right hon. Friend the Secretary of State for Social Services has referred to that form of hospital care as one of the Cinderella services. That is what we are trying to put right, not only by our massive building schemes for new hospitals and geriatric units, but by the advances that we are making in our care in the community processes, by the increase in domiciliary visits by nurses and those who bring meals on wheels, and by increases in day centres and the other things that make up the new fabric of care for the elderly.

NHS (Statistics)

10. **Mr. Pavitt** asked the Secretary of State for Social Services what is the total number of beds in hospitals within the National Health Service in England and Wales, the number of pay beds and the number of beds now available in private hospitals, excluding nursing homes for the elderly; what percentage of the population are now covered by private health insurance schemes; and if he will make a statement.

Mr. Kenneth Clarke: In 1983, the latest year for which figures are available, there were on average 343,090 beds available daily in NHS hospitals in England. On 31 December 1983 there were 2,987 authorised pay beds in NHS hospitals in England. At the same date, there were, provisionally, 37,980 beds in the private sector, of which 8,100 were in premises with operating theatres. My right hon. Friend the Secretary of State for Wales will send the hon. Member figures for Wales. We estimate that 8 per cent. of the population is now covered by private medical insurance. We welcome the growth of private medicine because patients should have freedom of choice, and because it adds to the country's health care resources and relieves pressure on the NHS.

Mr. Pavitt: Do not these figures and facts make complete nonsense of the statement by Mr. Victor Paige when defending his BUPA attachment? He said that most people now have private health care and that he would have to take some time to understand the Health Service. Cannot the Minister start thinking again about bringing from business people who have not a clue about health care and provision to run the Health Service? Is it not appalling to pay £70,000 a year to a man whose only previous

experience is to preside over the diminution of the Port of London Authority, and over Sainsburys, when he thinks that baked beans going in and out of a checkpoint are the same things as patients?

Mr. Clarke: The hon. Gentleman has slightly misquoted Mr. Victor Paige, who was describing the arrangements for managers in industry and was not talking about the generality of the population. Unusually for the hon. Gentleman, he is making trite points in a silly attack on Sainsburys and the rest, when we are talking about the appointment of a powerful manager to head a successful and expanding service. We should be concentrating on what we are producing by the changes that we are making, and on the room for changes. We are treating 12 per cent. more patients each year in our hospitals than was the case in the last year of the Labour Government and no fewer than 45 per cent. more day cases each year than in 1979. The appointment of a general manager is the next step in carrying on improving the Health Service.

Mr. McCrindle: Notwithstanding the rather carping attitude of Labour Members, has my right hon. and learned Friend recently noticed evidence that NHS patients are progressively being treated from time to time in private hospitals? Does this not underline the fact that, far from being competitive, there is a strong argument that coexistence between the public and private sectors is to the benefit of all?

Mr. Clarke: I strongly agree with my hon. Friend. We should be interested in whether we are treating the patients properly and getting waiting lists down. That matters far more than who owns the building and who pays the staff. If it is a more cost-effective way of treating patients, we would welcome collaboration between the NHS and the private sector if a health authority finds that it gets more inpatients treated that way.

Limited List Prescribing

11. **Mr. Waller** asked the Secretary of State for Social Services what recent representations he has received about his proposals to limit the range of drugs prescribed under the National Health Service.

Mr. Fowler: I have received representations from a wide range of individuals and organisations on both the principle and the detail of the scheme. Consultations are continuing on the content of the limited list, which will be finalised next month.

Mr. Waller: Is my right hon. Friend aware that, while there is considerable support for the concept of substituting generic preparations for brand name drugs, the idea of having a limited list whereby certain drugs are not available at all on the National Health Service is quite another matter? Will he set his face resolutely against a system whereby a general practitioner has to consider the means of a patient before considering what prescription to write?

Mr. Fowler: We are not seeking to introduce some kind of two-tier system as has been suggested by some highly misleading advertisements of the Association of the British Pharmaceutical Industry, which I greatly deplore. Let me tell my hon. Friend that my chief medical officer and a team of independent advisers are examining all the drugs that could be on the list. We always made it clear that we would undertake this consultation and that the list was provisional. If we find a branded drug for which there is no adequate alternative, it will remain available for prescription.

PRIME MINISTER

Engagements

Q1. **Mr. Boyes** asked the Prime Minister if she will list her official engagements for Tuesday 15 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Mr. Boyes: Is the Prime Minister aware that the Department of Health and Social Services estimates that in 1984 140,000 homeless people, at a cost of £380 million —an increase of over 600 per cent.—will have used board and lodging accommodation, much of it substandard, lacking in heating, lighting and toilet facilities and representing a serious fire risk? Should not the Government be advocating an increase in the amount of cash available for public sector house building rather than a decrease, so that people can escape from despair, desperation and degradation?

The Prime Minister: No. I believe that the Government's housing policy is the right one and that most people wish to own their own homes. Home ownership has gone up 1·7 million since we were in power and in accordance with that wish the majority of house building is taking place in the private sector.

Mr. Sayeed: Does my right hon. Friend agree, and will she take time today to consider, that this nation's economy is not a one-commodity economy, and that to consider it as such is simplistic, if not downright hysterical? Does such a view not ignore the fact that under this Government inflation is down, productivity is up and the export of goods and services is ever-increasing?

The Prime Minister: Yes, I agree with my hon. Friend. Gross domestic product is at its highest ever level, fixed investment across the economy is at its highest ever real level, retail sales are at their highest ever real level —up 4 per cent. in volume in 1984—profits are up 20 per cent. in the first three-quarters of 1984 and non-oil exports are up 12·5 per cent. in volume in the three months to November over a year ago. Britain is still worth investing in.

Mr. Kinnock: May I express the wish, with regard to the Prime Minister's last sentence, that many more people agree with her that Britain is worth investing in? Will she accept that on the Opposition side of the House we find the speculation against the pound irresponsible and irrational, but that we also feel that her Government's handling of the current crisis is an epic of bungling indecision that will cost the industries and the households of this country very dear? Will she let this shambles continue, or will she now help the pound by sacking the Chancellor of the Exchequer?

The Prime Minister: I am not sure whether the right hon. Gentleman means that he would have put interest rates up earlier, not at all, or later. Of course, he will not say—*[Interruption.]*—because he has not got a clue.

The speculation to which he referred has gone on, not only against the pound, but against other currencies. In the last day, record lows against the dollar have been reached by the Swiss franc, the Italian lira, and by the French franc, and the deutschmark also reached a 12-year low. Yesterday, the deutschmark stood at $3·20 in New York. The speculation which the right hon. Gentleman condemns has gone on against all currencies in Europe. We took what we believed to be the right decision because we had to consider exchange rate policy along with several other factors.

Mr. Kinnock: The truth is that the Prime Minister did not take the right decision in any calm fashion. She and the Chancellor of the Exchequer were eventually forced to panic into taking some kind of decision. As she has compared our condition with that of Germany and Switzerland, is she saying that she would do what the Germans and Swiss do, and that she would intervene? If so, will she come clean and admit it? Will she stop dodging the question and asking what the policies of others are and, instead, tell the country what it wants to know, which is what she and her Government will do to stop the crisis in currency and interest rates?

The Prime Minister: I recall recently two occasions when Germany intervened. I emphasise that I recall only two occasions. The intervention was not successful, as I indicated — *[Interruption.]* Will the right hon. Gentleman listen, as he might then learn a thing or two —*[Interruption.]*

Mr. Speaker: Order. These are very serious matters. The Prime Minister is seeking to answer the question, and should be heard.

The Prime Minister: Intervention alone was not successful, because, as I indicated to the right hon. Gentleman, yesterday the deutschmark also reached a 12-year low in New York. No single country has enough reserves to counter large volumes of currency moving round the world. We used the interest rate because we thought it right to do so in the circumstances in the exchange market. I remind the right hon. Gentleman that he predicted doom and gloom in July, when we had to do precisely the same thing. Since July, when he predicted doom and gloom and we eventually managed to get down interest rates, inflation has remained at, or below, 5 per cent., output across the economy has continued to grow, exports have been up in volume and retail sales have been higher in the fourth quarter. What the right hon. Gentleman predicted would happen in July did not happen, and the economy is being properly handled by my right hon. Friend the Chancellor of the Exchequer.

Mr. Kinnock: In July I asked the Prime Minister what she would do to give new strength to our economy. Since then we have lost 80,000 jobs and billions of pounds have flowed out of our economy. Will she now answer the question that the whole of Britain is asking? What is she going to do to change her policies in order to bring us strength, to stop the speculation, to bring down interest rates and to give us a secure future? The right hon. Lady has not yet answered that question.

The Prime Minister: The right hon. Gentleman's points are not right. After the interest rate increased to 12 per cent. in July output across the economy continued to grow. Construction output was up 3 per cent. in the third quarter over the second, exports were 6·5 per cent. up in volume in the three months to November over the previous three months and the doom and gloom that he predicted did not come to pass—*[Interruption.]* It did not come to pass because my right hon. Friend the Chancellor of the Exchequer took the right decision to contain inflation, and we have been containing public expenditure. That is why the Stock Exchange today is 14 points higher than a month ago, 233 points higher than at the time of the 1983 election, 395 points higher than at the time of the 1979 election and 803 points higher than the lowest point under the Labour Government.

Mr. Rippon: It is a shame to change the subject. Will my right hon. Friend take the opportunity to ask Chancellor Kohl whether he agrees that we are fully entitled to celebrate the end of a war which secured the freedom, not only of Britain but West Germany? Might Chancellor Kohl not agree also that the only aspect we have to regret about our victory on VE day is the fact that the United States did not heed Sir Winston Churchill's advice to shake hands with the Russians as far east as possible?

The Prime Minister: I know that there is a good deal of feeling that we should have a national celebration of VE day. I understand that feeling and believe that we should celebrate not only victory but peace with freedom and the fact that for some 40 years we have had peace with freedom across Europe. We are considering the form of a national commemoration, which will honour the dead and point to the reconciliation and reconstruction that has been achieved. We shall make an announcement in due course.

Mr. Steel: Returning to the currency crisis, does the Prime Minister recall that in October 1976, when she was Leader of the Opposition, she said that the drop in the value of pound sterling to $1·66 was due to the lack of confidence of other countries in the Chancellor's policies? Now that the right hon. Lady is in office, does she consider that the current drop in the value of the pound sterling to below $1·12 is a massive international vote of confidence in her Administration's success?

The Prime Minister: The right hon. Gentleman's question shows that he cannot understand that the strength of the dollar is an entirely new and different phenomenon. Otherwise, the right hon. Gentleman would realise that that currency affects not only sterling but the Swiss franc, the Italian lira, the French franc and the deutschmark, whose value has fallen to record lows. Normally one expects the richest nation in the world to have great outflows of capital to finance other countries. In fact, for some time, the United States has been attracting capital from the rest of the world and has not been putting capital out because of the debts in the rest of the world, because previously the banks overlent and other countries borrowed more than they could repay.

2. **Mr. Strang** asked the Prime Minister if she will list her official engagements for Tuesday 15 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Strang: Accepting the Prime Minister's preoccupation today with the sterling crisis, will she take time to reconsider the war of attrition against the miners? The right hon. Lady may believe that the miners are misguided, but they are accepting severe privation and

showing heroic determination in fighting for their communities and the dignity of work. Does the right hon. Lady recognise that in June, September and October last year real negotiations which almost secured a settlement took place? Why can we not have a resumption of negotiations without preconditions to secure a principled and balanced conclusion to a dispute which is not helping sterling and is damaging the economy?

The Prime Minister: Some 73,000 members of the National Union of Mineworkers are not on strike. More than 20,000 members of the NUM have returned to work since the beginning of November, including 1,800 so far this week. The only attrition against the miners is being carried out by the leadership of the NUM.

3. **Mr. Cartwright** asked the Prime Minister if she will list her official engagements for Tuesday 15 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Cartwright: Can I take it that the Prime Minister has now overruled the view of the Foreign and Commonwealth Office, expressed to me last week by letter, that any celebration of the 40th anniversary of VE day would be at best nostalgic and at worse anti-German? Will the right hon. Lady ensure that any celebrations are genuinely international in character and involve all our wartime allies?

The Prime Minister: I believe that we are entitled to national celebrations, and I have said that we shall be bringing forward some proposals. I hope that those will celebrate the victory of freedom over tyranny and that they will also celebrate 40 years of peace with that freedom. It will, therefore, be a celebration with two aspects to it.

Mr. Favell: In view of the clamour from Opposition Members for increased public spending, may I ask my right hon. Friend to spare a word for those engaged in the wealth-producing private sector? After all, they have borne the brunt of the recession, they need all the help they can get and, contrary to popular belief, the vast majority of them are not engaged in building roads and sewers.

The Prime Minister: The health of the public sector depends on having a flourishing private sector, and that depends on not putting so many burdens on those in that sector that they cannot make sufficient profits to re-invest and extend their activities. I absolutely agree with my hon. Friend.

Mr. Ryman: On a point of order, Mr. Speaker——

Mr. Speaker: Does it arise directly out of questions?

Mr. Ryman: It does, Mr. Speaker. In answering questions, the Prime Minister spent seven minutes answering two questions.—[HON. MEMBERS: "Three".] Before the Christmas recess, when a Minister of State at the Home Office purported to answer a question by taking eight minutes, you ruled, on a point of order raised by me, that you would exhort Ministers in future to restrict the length of time they took in purporting to answer questions. The Prime Minister, in her attempt to answer questions, clearly infringed that ruling that you gave before the Christmas recess. I ask for your guidance for future reference.

Mr. Speaker: The whole house knows that I should like to see shorter supplementary questions, which I think would lead to shorter answers from the Front Benches. In fairness to the Prime Minister, she was answering a very important question put on three occasions by the Leader of the Opposition. As a general principle, however, I agree with the hon. Gentleman that shorter questions would be beneficial.

Mr. Faulds: On a point of order, Mr. Speaker——

Mr. Speaker: Does it, too, arise directly out of questions?

Mr. Faulds: Yes, Mr. Speaker. Two of the three hon. Members who asked questions this afternoon did not, in their preliminary phraseology, refer to the Prime Minister's business today. Is it not the requirement that such a reference should be part of the phrasing of questions, and would it not have been right for you to have drawn the attention of the hon. Members concerned to that fact?

Mr. Speaker: The hon. Gentleman is entirely right, but I suppose that that preliminary phrase takes up that little bit of extra time. The whole House knows what we are about when we have these open questions.

British Aerospace plc

3.33 pm

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): With permission, Mr. Speaker, I should like to make a statement about the Government's residual shareholding in British Aerospace plc.

My right hon. and learned Friend the Chief Secretary to the Treasury told the House on 7 March last year that it was the Government's policy to sell minority residual shareholdings in privatised companies as the circumstances of the companies, the prospectus undertakings and market conditions permit. In pursuit of that policy, the Government have now decided to sell our residual shareholding in British Aerospace.

Since 1981, when it became the first nationalised industry to be denationalised, British Aerospace has been operating successfully in the private sector. We intend, subject to satisfactory market conditions, to offer for sale all our shares in British Aerospace—48·43 per cent. of the company's issued share capital—in the spring or early summer of this year.

The company has agreed that, before the sale is made, it will recommend to shareholders a resolution providing for the Government to retain a special share in the company. The purpose of this special share will be to ensure that no change may be made without Government consent to the provisions of the company's articles of association which restrict the foreign ownership of shares in the company and require the directors to be British nationals.

When British Aerospace was privatised, the Government said that we would retain at least 25 per cent. of the shares in the company so as to be able to block any changes to those articles. This Government shareholding will be rendered unnecessary by the issue of the special share which will have the same blocking effect.

We will also have the right to nominate a director to the company.

It is the company's intention to raise new equity capital at the same time as the Government's shares are sold. The British Aerospace chairman, Sir Austin Pearce, is making a statement about this this afternoon.

Subject to the approval, as necessary, of the company's shareholders, it is intended that the offer for sale should take the form of a simultaneous offering of the Government's existing shares and new shares issued by the company.

Mr. John Smith (Monklands, East): May I begin by welcoming the right hon. Gentleman back to the Dispatch Box? We are very pleased that his recovery has been so complete as to allow him to resume his duties in full. I am sorry, however, that his return to the House has been to deliver such a miserable and humiliating statement.

Is it not crystal clear that the Government have been pushed and panicked into an early forced sale of these shares in British Aerospace because of their incompetent handling of our financial affairs? Is it not the case that as a result of the yet further postponement of the sale of British Airways shares the books will not balance unless the Government sell something else as fast as they can? Is it not a shabby circumstance that valuable public assets of inestimable long-term significance have to be sold in forced sales circumstances which means that the price to be obtained will be well below the true value?

Is it not now obvious that the whole privatisation process is not a measured and well-considered transfer of assets as between private and public ownership but a scramble to sell off anything valuable that the Government can get their hands on to disguise their financial bungling? Is it not a measure of the Government's desperate straits that they have been forced to break a solemn undertaking that was given to Parliament, presumably in good faith, that they would retain 25 per cent. of the shareholding of the company so as to maintain essential control?

Is the Secretary of State aware that the special share device upon which he places great reliance has not yet been tested in the courts as being effective, especially in cases where the holder of the share has no beneficial interest whatsoever in the company? Does not the Secretary of State realise that if this rather pathetic device fails to achieve its objective the Government will have lost all control of an enterprise which is crucial to the equipment of our armed forces and to our national security? Is it not ironic that if the Government had not failed to obtain the proper value for the shares they sold in British Telecom they might have been spared the ignominy of this forced sale of British Aerospace?

Mr. Tebbit: May I first thank the right hon. and learned Gentleman for his kind personal remarks?

The Government have not been pushed unwillingly into selling these shares. It has been my ambition ever since the concept of denationalisation was arrived at that we should sell all of them. Indeed, we want to get back as soon as possible to the position which obtained before the Labour Government's incompetent decision to nationalise the industry in the first place.

When the right hon. and learned Gentleman talked about this being related to the British Airways decision and about its being necessary to balance the Government's books, he seemed not to understand that this will happen in the forthcoming financial year, during which I very much hope that British Airways will also be liberated.

If the right hon. and learned Gentleman thinks that the shares will be undervalued and sold too cheaply, he is at liberty to buy some. He is even at liberty to suggest that the Labour Party should buy some; it might help its financial state.

As to what the right hon. and learned Gentleman said about the retention of 25 per cent. of the shares, it is clear that he is unduly excited about the mechanism by which the objective would be achieved and is completely oblivious to the fact that it is the objective of ensuring that control of British Aerospace remains in Britain that is important. The right hon. and learned Gentleman chooses to cast some doubts upon the legal validity of the mechanism of special shares. That is an idea that he seems to have invented out of the air today because he has no other valid criticism to make.

Mr. John Wilkinson (Ruislip-Northwood): In welcoming my right hon. Friend back today, may I say how wonderful it is to have him in such cracking good form and delivering a statement so dear to his heart and so dear to his right hon. and hon. Friends who, for many a long month, have espoused a hope in their hearts that the totality of British Aerospace would be sold in this way? This example should be a very good precedent for the sale—in fact, the liberation—of British Airways? Could the employees of British Airways benefit in the same way that

the employees of British Aerospace have undoubtedly benefited, those who had the prescience to buy shares in the company when first it was floated?

Mr. Tebbit: I had best not be tempted into discussing the basis on which British Airways shares will be sold, but it is right that I should say to my hon. Friend that on this occasion, on the sale of British Aerospace shares, the existing employees will have priority rights of application with regard to the Government shareholding, but at present I do not envisage that there will be any special incentives beyond that for them to buy.

Mr. Ian Wrigglesworth (Stockton, South): I join with others in welcoming the Secretary of State back to the Dispatch Box and add the wish that his wife will also soon be restored to full health.

May I press the point that has been made, that this is like selling off the family silver to pay for the grocery bills? Does not the Secretary of State accept that selling off capital assets in this way would be more acceptable if the funds raised by the Government were not just lost to the Exchequer and the Government's capital investment record were better than it was? Does the right hon. Gentleman agree that an increase in capital investment in the Budget would be widely welcomed using the revenues that have been received from the British Telecom sale; this sale and other sales of State assets?

Mr. Tebbit: I thank the hon. Gentleman for his kind remarks, particularly those concerning my wife, which I shall convey to her.

The hon. Gentleman referred to capital investment. I must confess that my memory may be at fault, but I thought that the hon. Gentleman was present in the House last Thursday when my right hon. Friend the Prime Minister sought to set his mind at rest over the Government's record on capital expenditure, which is very good—and so is the present record of the private sector of industry.

Mr. Kenneth Warren (Hastings and Rye): May I also say how great a pleasure it is to welcome my right hon. Friend back to the House? He has given us good news in his first statement. Can he define for the House and those outside who are partners with the British Aerospace company in international agreements such as Panavia in Germany and Italy and Airbus Industrie in France and Germany what relationships they will have with the new company when it is entirely in private enterprise? Will my right hon. Friend assure them that there will be no change in those relationships and that the Government will continue to back those relationships?

Mr. Tebbit: I can certainly give my hon. Friend the assurance that no change is envisaged in the relationship between British Aerospace plc and its partners in either Airbus Industrie or Panavia, or in the other international projects with which British Aerospace is associated.

Mr. George Park (Coventry, North-East): Bearing in mind the De Lorean experience, will the Secretary of State say what the terms of reference will be for the Government-appointed director?

Mr. Tebbit: The Government director will have the responsibilities of every other director of the company. I do not think that there is very much connection between De Lorean and British Aerospace, not even, I hope, in the mind of the hon. Gentleman.

Mr. Michael Marshall (Arundel): I welcome my right hon. Friend's statement and am delighted to see him back. Is he aware that those of us who have been involved with this denationalisation process will be most interested in the special share arrangement that he has announced and that, on the face of it, it appears to be a most useful way in which to provide additional opportunities for putting shares on the market? Will he take this opportunity to say how far he hopes that share ownership will be spread as widely as possible, as with small investors for British Telecom? Does he further recall that when British Aerospace was floated 90 per cent. of the employees took their free issue but that 40 per cent. spent money to buy shares? Is that not a promising augury?

Mr. Tebbit: I hope that the share ownership of British Aerospace will be spread widely. I especially hope that many of that company's employees will take advantage of the priority that they will have to apply for shares in the company in which they work and in the success of which they have an enormous interest.

Mr. James Lamond (Oldham, Central and Royton): Is it not an interesting insight into the morality of the Secretary of State and those Members behind him who cheered that, when he attempted to meet the criticism of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) about shares once again being sold at far too low a price, he suggested that the criticism might be stifled by my right hon. and learned Friend trying to make money out of the shares himself? Is that the sort of morality that we now have in the House?

Mr. Tebbit: I am not sure that I am too keen on taking lessons in morality from the hon. Member, but I suggest that he has misunderstood the import of my question. Were he and his hon. Friends and others who believe that something is undervalued to come forward with a better bid, the price would be raised, the taxpayer would benefit, and, as I have suggested, even the right hon. and learned Member for Monklands, East and his colleagues might benefit. When such benefits can be spread widely, it is an unhappy thing that the hon. Member should be so carping. Why does he not celebrate a little?

Sir Edward Gardner (Fylde): Might I also welcome my right hon. Friend's return to the Dispatch Box? Although he sounded fine on television, he sounded even better this afternoon, giving a message that I know will be warmly welcomed by all of us who have British Aerospace divisions in our constituencies? The announcement will be welcomed as giving new and increased hope for the future of this most important, if not vital, industry.

Mr. Tebbit: I am grateful to my hon. and learned Friend. It is worth remembering that British Aerospace's constituent companies were prosperous and well run before denationalisation. Their success since denationalisation has been quite remarkable—there has been a continued growth in turnover, exports and profitability. We can all hope that that will continue.

Mr. Harry Ewing (Falkirk, East): How long will it take the Secretary of State to learn that privatisation does not spread share ownership more widely? If he takes the time to investigate the circumstances of British Telecom plc now, he will find that 30 per cent. of its employees who bought shares have already sold them.

[Mr. Harry Ewing]

Does the right hon. Gentleman remember that, in the middle of 1984, General Electric Company attempted to gain control of British Aerospace? For one reason or another, the attempt did not materialise. Will he assure us that his announcement is not a back-door method of giving control of an extremely important industry to GEC? If that happened, it would be an utter disaster for the British Aerospace industry.

Mr. Tebbit: The hon. Gentleman has forgotten that, should there be an attempt at a takeover of a company such as British Aerospace, it would fall within the criteria that apply under the Fair Trading Act 1973 and therefore might well be investigated by the Monopolies and Mergers Commission. A conclusion would then be reached by the MMC and the Government on whether such a bid should be allowed to go ahead. There is no question of this sale of shares changing matters in that respect.

Mr. Alan Haselhurst (Saffron Walden): I welcome the principle of what my right hon. Friend has announced, but is he satisfied that the arrangements that he has outlined will give the Government reasonable certainty that, in its future ownership, the company will retain primacy in matters of aerospace?

Mr. Tebbit: The standing of British Aerospace will be governed by the skill of the work force from the chairman down to the last man and woman on the shop floor. The Government will continue to give British Aerospace the support which they give to all British companies in their efforts to export and prosper.

As my hon. Friend will be aware, the Government have already entered into an agreement with British Aerospace about launch aid for the A320 airbus. That agreement is completely unaffected by the sale. It may also be of some comfort to Opposition Members if I say that we intend to impose a limit of 10 per cent. of the proportion of the shares offered that will be allocated to any single applicant or group of applicants acting in concert.

Mr. Stuart Bell (Middlesbrough): When answering a supplementary question the Secretary of State said that it has always been his intention to sell all the shares in British Aerospace and yet in the statement he said that the Government intended to retain 25 per cent. of the shares. Can he reconcile the difference between those two statements?

Mr. Tebbit: Simply. I have always had that desire and intention in my mind since the dastardly act of nationalisation was first committed.

Mr. Robert Atkins (South Ribble): In welcoming back my right hon. Friend, may I ask whether he agrees that his statement is an indication of the strength of the company, the commitment of the work force, the excellence of its products and the success of privatisation? Does he agree that that is nothing but good news for the company's employees, at whatever level, and for our constituents?

Mr. Tebbit: I agree with my hon. Friend. I am sure that he would wish to look back on the company's record of profitability since it has been privatised, its success with export orders and many other matters, and take comfort from that. I am sure that the staff of British Aerospace will feel the same about it. I think that they will be glad to be entirely free from Government.

Mr. Dave Nellist (Coventry, South-East): Does the Secretary of State agree that this further act of denationalisation owes less to the idea of the spreading of a company's share ownership, because it reduces public involvement in that company and concentrates it in a few hands, and more to his and the Government's idea of rewarding their political mentors and supporters from before the election with the profits from the privatisation of industry?

Mr. Tebbit: No, Sir.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Does my right hon. Friend accept that most of us on the Conservative Benches accept the logic that there is no need for any Government to own shares in British Aerospace? However, bearing in mind the fact that at one time Thorn-EMI wished to bid for British Aerospace and that GEC is now widely rumoured to wish also to bid and has a huge mountain of cash so that it could do so if his Department allowed it, would it not be sensible to clear this matter out of the way first to save any embarrassment from selling shares at a relatively low price, with a bid being made within a short time, when that profit could accrue to the State instead of to other outside shareholders?

Mr. Tebbit: My hon. Friend neglects the fact that I do not believe that GEC or Thorn-EMI would necessarily take me into their confidence as to whether they intended at some time to bid.

Mr. Dennis Skinner (Bolsover): Now that the Secretary of State is back, and aided in his recovery by the non-privatised section of the National Health Service—*[Interruption.]* It is a fact—and taking into account the fact that there have been several statements from the Government about privatising sections of the economy and that with each of those statements, like today, there is talk of liberating industry and assisting the economy, why after five years of privatisation measures is the pound in the geriatric ward?

Mr. Tebbit: Oh, dear, Mr. Speaker; the hon. Gentleman must, as usual, have spent more time with his mouth open than with his ears open during the exchanges at Prime Minister's Question Time today. As to what has really helped me back to my present state of what I understand is called rude health, above all else I have been encouraged by the splendid return of miners to work in the hon. Gentleman's constituency.

Viscount Cranborne (Dorset, South): Would not my right hon. Friend agree that it was extraordinarily interesting that the right hon. and learned Member for Monklands, East (Mr. Smith), who spoke this afternoon on behalf of the Opposition, made no reference to the possibility of his party renationalising British Aerospace in the unlikely event of its being returned to power? Could that be because he has become an apostate of the theory of nationalisation, or is it more likely that the right hon. and learned Gentleman recognises——

Mr. Speaker: Order. The hon. Gentleman must ask a question which the Secretary of State can answer. The Secretary of State cannot put himself into the mind of the Opposition spokesman.

Viscount Cranborne: Thank you, Mr. Speaker. Will my right hon. Friend therefore agree with me that the

reason why the right hon. and learned Member for Monklands, East was reluctant to refer to this previous undertaking was that it would be a vote loser and that the people recognise that it would cause extreme damage to the British economy?

Mr. Tebbit: I am sure that my hon. Friend does not really expect me to take responsibility for the state of mind of the right hon. and learned Member for Monklands, East (Mr. Smith) and his colleagues. I do not think that I am quite well enough just yet to take that on. I am quite sure, however, that there will be no question of denationalisation because there is no possibility of a Government committed to that sort of policy ever again being returned to office in this country.

Mr. D. N. Campbell-Savours (Workington): As the Secretary of State has returned to the House with all his former "bottle" intact, will he tell the House how much he expects the net gain to the Exchequer to be as a result of this sale? Is it not fair to say that the proceeds of the sale will be used next year to cut the taxes of the better-off in our society?

Mr. Tebbit: One could equally say that the proceeds of the sale will be used by the Government to maintain the value of pensions and other benefits. One cannot distinguish between what one section of money does as it goes into the Exchequer and another.

As to the amount of money which will be raised, at the time when dealings were suspended the valuation of the Government's holding was about £350 million or £360 million. What the valuation will be at the time of the sale depends, as the hon. Gentleman knows, upon many factors.

Mr. Tim Yeo (Suffolk, South): I welcome both the return and the statement of my right hon. Friend. Does not he agree that, so far from this being a forced sale at a disadvantageous moment, as the Prime Minister pointed out earlier this afternoon, the stock exchange has risen very substantially and therefore this may seem to be a highly opportune moment for disposing of the rest of the Government's stake?

Mr. Tebbit: I very much hope that it will prove to be.

Mr. Andrew MacKay (Berkshire, East): Is my right hon. Friend aware that his most welcome and boisterous return to the Dispatch Box will give particular pleasure to those of my constituents who work for British Aerospace? His statement is a sign, first, that in the private sector it is now commercially vibrant and, secondly, that it will lead to the final shackles of nationalisation being removed from their workplace.

Mr. Tebbit: It is important to understand—I do not believe that the Opposition have yet quite grasped this—that the denationalisation of these enterprises results in wider share ownership and in a more dispersed control of the company. For who, really, has been controlling the company while it has been nationalised? One sometimes wonders. Certainly it is not a very widespread group of people.

British Broadcasting Corporation Advertising

3.58 pm

Mr. Joseph Ashton (Bassetlaw): I beg to move,

That leave be given to bring in a Bill to amend the constitution of the British Broadcasting Corporation to allow the Corporation to raise revenue, as and when required, through transmitting advertisements subject to the same rules as to advertisements that apply to independent television.

I welcome this opportunity to put the Bill before the House because, believe it or not, since 1923 when the BBC began the House has never had any say in the fixing of the television or broadcasting licence. It has usually been stitched up as a deal between successive Home Secretaries and Governments and announced at midnight. The public have had to put up with that form of poll tax whether they liked it or not.

There is no doubt that the proposal to increase the licence fee to £65 will bear heavily on the poorer sections of the community. Many families in Britain, probably 5 million, never see £65 in a lump sum. It is not that they do not want to pay £65 for a television licence; it is just that they can never afford to pay that.

The time has come to re-examine the method of financing the BBC and there is a great public demand for that. Obviously, many of my colleagues are opposed to advertising on principle. [HON. MEMBERS: "Hear, hear."] I have yet to see similar opposition to advertising that appears in *Tribune*, *Morning Star*, *Labour Weekly* or the *Radio Times*, or any other form of financial help which is given to those organisations.

Obviously, it would be better if a subsidy could be paid to poor people so that they would not have to pay a massive £65. But the fact is that no Chancellor, Labour or Conservative, has ever shown any sign that he is prepared to put up that sort of money. It would need about 1·5 per cent. on VAT to pay it. There is no sign even now that a future Labour Chancellor would be able to find between £400 million and £500 million to keep down the cost of the television licence and to pay a subsidy to people on low incomes. Therefore, we must consider how that could be financed.

There is no doubt that some of my hon. Friends will argue that already the poor pay more than £65 in the 1p that they pay on a tin of beans or the adverts on the other supermarket purchases that they make every day. But the fact is that that sort of payment is relatively painless. When people pay a penny on a tin of beans for the advertising, they can absorb that into their weekly budget far more easily than a £65 lump sum payment.

Nobody is denying that £65 would be tremendously good value for money. It would be. It works out at about the cost of a postage stamp per day. But the fact is that the BBC has not yet come up with any method of collecting it, other than in a lump sum. The benefit of paying by advertising is that the people who spend the most tend to pay the most. The poor families in my constituency who cannot afford continental holidays are not paying for the continental holidays to be advertised on television. If they cannot afford to fly British Airways or to pay for beer, they do not pay for advertisements for those. There is a principle in advertising that the ones who spend the most pay the most, which is a good principle on which to work.

The Bill does not tell the BBC how it has to run its affairs or raise funds. It allows it complete flexibility. It

[Mr. Joseph Ashton]

has been worked out by advertising agencies that the BBC would need to take as little as 30 or 40 seconds an hour. I have just returned from making a television programme with Mr. Alasdair Milne, the director-general of the BBC. *[Interruption.]* It is not usual to shout hon. Members down on a ten-minute Bill, but I understand that my hon. Friends do not wish to listen to the argument.

Mr. Alasdair Milne confirmed on television an hour ago that advertising would work out at just over a minute an hour. One commercial an hour is all that the BBC would need to keep the licence fee at its present level. It would have a guaranteed per capita income of £46 and it could then raise as much or as little as it liked to finance its programmes.

Nothing in the Bill says that every programme must contain advertising. The BBC could choose to advertise on "Dynasty" or "Dallas", "Hi-di-hi" or "Blankety Blank", and leave "Panorama" or "Newsnight" alone. It could choose to show programmes from the Olympic games where there were adverts for McDonald's hamburgers or Coca-Cola and then use the cash to subsidise opera on BBC2. The Bill gives the BBC complete flexibility to decide how much it wants to raise and how to raise it.

An alternative argument that would probably be put forward is that advertising tends to lower standards and goes for the mass market. There may have been something in that argument until Channel 4 appeared. Nobody now can say that Channel 4 lowered its standards to get a bigger range of advertising, because it did not. Many programmes on ITV, such as "World in Action", "Weekend World", "TV Eye" and "News at Ten", do not pander to advertisers. They make no concessions to advertising at all. They are excellent programmes of integrity. The miners in my constituency will say that Channel 4 news has given them the fairest coverage that they have had. Therefore, there is no experience at all that advertising lowers standards in Britain, and that is the result of the strict controls that we have. Last year ITV won all seven Emmy awards for dramas such as "Jewel in the Crown" and "Brideshead Revisited" and made a profit from selling those programmes abroad.

We already have massive advertising on BBC every day, especially on sporting programmes at the weekend. The Canon league, the Gillette cup, the Nat-West trophy and all sorts of sponsored events are constantly thrust in front of the public. We now have the crazy situation where the BBC pays Embassy to show its snooker when it should be Embassy paying the BBC to advertise Embassy. How can that be Socialism? To expect people to pay £65 to subsidise Embassy is inconceivable to me.

Advertising is one of the best growth industries in Britain. It is making massive profits. We have only to look at the growth of free newspapers over the past 10 years. Ten years ago Britain never experienced free newspapers being shoved through the door. There has been a phenomenal rise in that market and its profit. In real terms ITV now charges 50 per cent. more for advertising than it did in the 1970s. That is possibly because there is a massive demand for advertising. ITV does not want to change the set-up because it does not want to face competition. If the price of the cost of advertising comes down because the BBC is showing it, it benefits the consumers and the poor people who pay 1p on a tin of beans towards paying for it.

ITV experienced so much demand for advertising last year that it went to the Independent Broadcasting Authority and asked for an extra minute an hour and the IBA turned it down. The market potential there for fund raising is enormous. The only thing that prevents it is that on the one hand the BBC does not want to do it, and on the other it does not want a handout from the Government because it wants to retain its integrity. It cannot have it both ways. There must be some form of help to the poor and lower paid.

That system works well in Italy and Germany. In Italy the fee is £33. One can argue about quality, but we are arguing about financing.

4.7 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch) *rose——*

Mr. Speaker: Does the hon. Gentleman seek to oppose the Bill?

Mr. Sedgemore: Yes, Mr. Speaker.

Few Labour Members would have expected to see a Labour Member bring in a Bill to put the BBC in private hands and bring public service broadcasting to an end. I imagine that the hon. Member for Bassetlaw (Mr. Ashton) wants to be remembered as the person who gave the BBC over to commercial salesmen.

Frankly, I am horrified at the way in which the hon. Gentleman has run his campaign on radio and in the press. He knows the long-term and calamitous consequences of what he is proposing but he simply does not care. In bringing the Bill before the House in this fashion he combines, as only he is capable of combining, rampant populism with insistent philistinism and a profound ignorance of television and the importance of the BBC in the maintenance of our culture.

The Bill will damage entertainment, drama, news, art and culture. It may be the hon. Member's intention to turn Bassetlaw into a cultural-free zone before he dies.

The hon. Gentleman has consistently misled the public on radio and television. He has said that the BBC would need only 30 seconds of advertising per hour to keep the licence fee at the present level. That is incorrect, as I have always known. The hon. Gentleman has taken that figure from an advertising agency called DMM. In fact, the BBC would need three times that amount—one minute and 20 seconds of advertising per hour. If I can do my homework on that, I do not see why the hon. Gentleman cannot.

The hon. Gentleman has argued in public and in the House today that people who watch ITV should not have to pay for the BBC. Audience research figures show that 97 per cent. of the public watch BBC television for an average of 10 hours per week. That is the whole population except those who are moving house or happen to be away from home for some reason.

The hon. Gentleman said that the BBC had won no Emmy awards this year. Perhaps he regards those gargantuan competitions as reflecting the quality of television broadcasts, but if he had done his homework he would know that the BBC won no fewer than 100 national and international awards last year.

The hon. Gentleman says that he does not like the idea of lump sum payments by pensioners. I do not like it either. But instead of proposing that one of the most

important communications media on earth should be handed over to private, corporate vested interests, he should address himself to the problem in hand. He may not know that one sixth of the BBC's current income comes from the sale of 50p licence stamps, most of which are contributed by pensioners. Why does he not seek to develop that scheme?

Why does the hon. Gentleman not support Labour party policy, which seeks to give pensioners free television licences? I agree that paying the licence fee out of the national Exchequer would require institutional and structural changes, but if the hon. Gentleman wishes to know how that could be achieved he need only read the article in *New Socialist* by Juliet Steyn and myself on future policy for the BBC and the arts.

The hon. Gentleman refuses to consider the mischief of his Bill. *[Interruption.]* Despite all the noise and "yah-boos" from the Conservatives, I ask him to consider what will happen when instead of competing in the making of programmes the BBC and the independent television companies compete for advertising revenue. What will happen to the programmes when the BBC is run by advertising agencies? What will happen to public service broadcasting when Saatchi and Saatchi tell the BBC that it must increase its ratings to sustain its revenue? What will happen to dramas and documentaries of the type made by Ken Loach and Roland Joffe? "The Sponger's United Kingdom" on BBC could never have been made if the hon. Gentleman's Bill had been law.

The hon. Gentleman's proposal seeks to make it more difficult for the BBC to produce programmes which are disturbing, emotive, sensuous, imaginative, critical, analytical and intellectual. He is seeking to leave people unwittingly and helplessly subjected in their own homes to the lowest common denominator, unable to think sensibly about where they are and what they might become. Some people believe that Socialism can be achieved simply by questioning elitist statements, but any Socialist thinker will confirm that to achieve Socialism in this land we must question every popular assumption as well as every elitist assumption. Given the current state of ideology and popular opinion in this country, that is the only way to mediate between the world as it is and the world as we should like it to be.

One cannot always appeal to authorities, but I ask the hon. Gentleman to consider the words of Alasdair Milne, director-general of the BBC, who has said:

> "The fact that broadcasting competition in this country is confined to programmes alone makes for healthy, professional rivalry and is the cornerstone of the British broadcasting achievement."

In this context, I quote with approval the words of David Plowright, managing director of the Granada company, for which I worked. I am no friend of his and I have had arguments with him about censoring programmes on open government, but he showed some sense when he said of the present system:

> "It has enabled the two services to avoid damaging, cut throat competition for ratings and strive instead for a full measure of audience interest, appreciation, programme originality and excellence . . .
>
> The BBC deserves a significant increase in the licence fee. It has set standards we in ITV have done our best to emulate."

In effect, he is saying that Granada would never have produced programmes such as "Jewel in the Crown" and "Brideshead Revisited" if the hon. Gentleman's Bill had been law.

At a time when the licence fee and, indeed, the whole future of the BBC is under extraordinary attack from the Conservative party, the Government and the Prime Minister, as *The Times* today makes clear, the hon. Gentleman comes to the House with this damaging proposal. I do not know how Conservative Members intend to vote, but it would be a disgrace if any Socialist voted in favour of the Bill.

Question put, pursuant to Standing Order No. 15 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business):—

The House divided: Ayes 118, Noes 159.

Division No. 63] **[4.16 pm**

AYES

Ashby, David
Baldry, Tony
Beaumont-Dark, Anthony
Bennett, Sir Frederic *(T'bay)*
Best, Keith
Bevan, David Gilroy
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bowden, A. *(Brighton K'to'n)*
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Carter-Jones, Lewis
Carttiss, Michael
Cartwright, John
Chapman, Sydney
Clark, Dr Michael *(Rochford)*
Cockeram, Eric
Conway, Derek
Corrie, John
Couchman, James
Cranborne, Viscount
Dicks, Terry
Douglas-Hamilton, Lord J.
Dover, Den
Eggar, Tim
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Fox, Marcus
Galley, Roy
Gardiner, George *(Reigate)*
Glyn, Dr Alan
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Hayes, J.
Hayward, Robert
Hind, Kenneth
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hunter, Andrew
Jones, Robert *(W Herts)*
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Key, Robert
King, Roger *(B'ham N'field)*
Lamond, James
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lord, Michael
McCrindle, Robert
McCurley, Mrs Anna
McGuire, Michael
MacKay, Andrew *(Berkshire)*
Maclean, David John
Malone, Gerald
Marland, Paul
Maude, Hon Francis
Maxwell-Hyslop, Robin
Miller, Hal *(B'grove)*
Miller, Dr M. S. *(E Kilbride)*
Molyneaux, Rt Hon James
Monro, Sir Hector
Mudd, David
Onslow, Cranley
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parris, Matthew
Pawsey, James
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Proctor, K. Harvey
Rathbone, Tim
Rhys Williams, Sir Brandon
Rost, Peter
Ryder, Richard
Sayeed, Jonathan
Shersby, Michael
Silvester, Fred
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Speller, Tony
Spence, John
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Taylor, Teddy *(S'end E)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trotter, Neville
Twinn, Dr Ian
Ward, John
Warren, Kenneth
Watts, John
Weetch, Ken
Winterton, Mrs Ann
Wood, Timothy

Tellers for the Ayes:
Mr. Joseph Ashton and
Mr. Allen McKay.

NOES

Abse, Leo
Adley, Robert
Alexander, Richard
Alton, David
Atkins, Robert *(South Ribble)*
Atkinson, N. *(Tottenham)*
Banks, Robert *(Harrogate)*
Banks, Tony *(Newham NW)*
Beith, A. J.
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carlisle, Rt Hon M. *(W'ton S)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cox, Thomas *(Tooting)*
Craigen, J. M.
Critchley, Julian
Crowther, Stan
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Dickens, Geoffrey
Dixon, Donald
Dobson, Frank
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Forman, Nigel
Foulkes, George
Fraser, J. *(Norwood)*
Freud, Clement
Gale, Roger
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Ground, Patrick
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hattersley, Rt Hon Roy
Haynes, Frank
Heathcoat-Amory, David
Heffer, Eric S.
Hicks, Robert
Higgins, Rt Hon Terence L.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Lambie, David
Leighton, Ronald
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McKelvey, William
Mackenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mates, Michael
Maxton, John
Maynard, Miss Joan
Meadowcroft, Michael
Meyer, Sir Anthony
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Patchett, Terry
Pavitt, Laurie
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Robertson, George
Robinson, G. *(Coventry NW)*
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Rt Hon Peter
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thompson, Patrick *(N'ich N)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Waller, Gary
Wardell, Gareth *(Gower)*
Wareing, Robert
Watson, John
Welsh, Michael
Wiggin, Jerry
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Wrigglesworth, Ian
Yeo, Tim

Tellers for the Noes:
Mr. D. N. Campbell-Savours
and Mr. Kevin Barron

Question accordingly negatived.

Opposition Day

[5TH ALLOTTED DAY]—*considered*

Unemployment

Mr. Speaker: Before we proceed with the debate, I should inform the House that I propose to operate the 10-minute limit on speeches between 7 pm and 8.50 pm. I hope that hon. Members who are called before 7 o'clock will bear in mind the fact that there is great pressure to speak during this debate. No fewer than 32 right hon. and hon. Members have so far shown their wish to participate. I hope that the House will think it fair to give precedence to those hon. Members who were not called to speak during the regional industrial policy debate on 28 November.

I have selected the amendment in the name of the Prime Minister.

4.28 pm

Mr. Roy Hattersley (Birmingham, Sparkbrook): I beg to move,

That this House condemns the Government's wilful refusal to implement policies which would result in a reduction in unemployment from its present record level and from the even higher total to which it will rise in 1985; and calls upon Her Majesty's Government to concentrate the resources at its disposal on the public sector, thus providing the stimulus which the economy needs in a way which creates the largest number of jobs.

Today's debate concerns three issues, about which the Government and the Opposition are fundamentally and, perhaps, irrevocably divided. For the Opposition the first is a matter of principle. We believe that the overwhelmingly most important national priority at this time is a reduction in unemployment. Unemployment is at a record level and was set to rise even before yesterday's fiasco, and it will rise further and faster because of the increase in interest rates that was announced yesterday afternoon.

To the Opposition, a reduction in unemployment is an objective towards which every aspect of economic policy should be directed. I have no doubt that in his speech the Chancellor of the Exchequer will say that he, too, regards a reduction in unemployment as essential, and that he is working towards that end. If the Chancellor says that in good faith, the Government's policy on unemployment is as ghastly a failure as are their policies in every other economic area. If that is their intention, they have signally, indeed spectacularly, failed to realise it during the past five and a half years. For five and a half years we have been promised that a rigorous application of the medium term financial strategy will produce a certain and irreversible reduction in unemployment. Yet for five and a half years that strategy has produced the diametrically opposite result: a continued and unremitting increase in the number of men and women who are without work. But after five years during which that strategy has failed completely and palpably, all that the Government offer in their amendment today is a repeat of the same old discredited economic clichés. Conservative Members who vote for the amendment will be voting for more of the same; and it is more of the same that has pushed up unemployment, on an accurate and honest assessment, to approaching 4 million.

For us to believe that the Chancellor is remotely sincere in what will be his expressed concern for the unemployed, he must answer one simple question: when does he judge that his chosen strategy for the eventual reduction of unemployment will begin to work? When will the total begin to level off, let alone to fall? When will the unhappy Secretary of State for Employment no longer have to appear on television month after month and describe himself as surprised and disappointed by the monthly unemployment figures? Indeed, the successive disappointments of the Secretary of State, matched only by successive surprises on the same occasions, say little for his judgment but much for his gullibility. We want an honest statement about when the Chancellor expects the strategy, which he has insisted for five years will eventually work, to begin to work.

I suspect that the Chancellor will refuse to give even an estimate of when unemployment will begin to decrease, so let me tell the House what the honest answer would be. On an accurate and honest measurement of present unemployment, it will still be at or above 3 million at the time of the next general election. Several things will happen before then. Lord Young will perform his duties of manipulating the statistics to make the published figures look more acceptable. The Chancellor will invent new excuses. The Prime Minister will counterfeit concern. But by the next general election, we shall have endured almost a full decade of increasing unemployment, and the real figure will still be 3 million or more.

Four years ago, the Prime Minister would have said brashly that unemployment is the short-term price that we must pay for long-term economic success. I should describe some of that success to her today in honest terms, not in the sort of terms that she trotted out at the Dispatch Box an hour ago. Putting aside the present record unemployment, and the fact that her success must be measured against higher unemployment than Britain has ever known, the success about which she spoke includes an annual tax bill that is £22·5 billion more than it was when she took office, manufacturing imports exceeding manufacturing exports for the first time in our history, interest rates still at their 1979 levels despite all the promises of reductions, and the pound at its lowest ever value. We have become — this is one success about which the Prime Minister could legitimately boast — what one commentator described yesterday as a one-commodity economy, saved from national bankruptcy by the gratuitous benefit of North sea oil revenues.

Whenever the Chancellor is reminded of the position in which the public sector borrowing requirement, his hopes for tax cuts, and public expenditure would be were it not for the boon and benefit of North sea oil, for which he can take no credit, he always replies, as he did yesterday, that North sea oil revenues will continue for a good time yet.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): So they will.

Mr. Hattersley: The hon. Gentleman is perceptive to say that, but that is hardly the point. The point is — perhaps even the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) has noticed this—that North sea oil revenues have peaked during this financial year. From now on they will be a wasting asset, and to rely on those revenues to balance our books instead of using them to

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invest in our industrial base and our infrastructure is to make the British economy tragically vulnerable to every external pressure.

The true state of our economy is eloquently demonstrated by the way in which the Prime Minister is driven to the most disreputable use of statistics to give a fraudulent impression that at least part of her policy is working. I shall give three examples. On 10 January, she told me that public investment is at the same level as it was in 1978-79—a claim that is statistically plausible only because the Government have changed the definition of public investment. They have been condemned for doing so by the Treasury and Civil Service Select Committee. That is the value of the Prime Minister's honesty in such matters. Another example from the same day——

Mr. Alan Howarth (Stratford-on-Avon): The right hon. Gentleman has rightly stressed the importance of honesty in this debate. What contribution to increased unemployment does he believe has been caused by the worst recession for 50 years, by the advent of an extra 1 million people in the labour force in the 1980s, and by the impact of new technology — all factors which it is beyond the scope of this or any Government to control?

Mr. Hattersley: I assure the hon. Gentleman that it is my judgment, and the judgment of almost all objective commentators—*[Interruption]*—many of whom I shall quote as the afternoon continues — that were the reduction of unemployment the Government's highest priority, the figure would be lower than it is today. When Conservative Members scoff at that fact, they are not just scoffing at me, which is par for the course between Government and Opposition, but are scoffing at the right hon. Member for Old Bexley and Sidcup (Mr. Heath), under whom they were proud to serve when he was Prime Minister.

However, I shall not be diverted from giving two further examples of the weakness of the Prime Minister's case, which she manipulates in a way that I can describe only as statistically fraudulent. On 10 January she said that investment in the economy as a whole is at a peak, but she did not add that it is certain to fall next year as a direct result of Government policy. Investment is high now because of the impending changes in investment allowances, which have brought forward investment, but the policy that increases it this year will be the policy that decreases it next year. It is a sign of the weakness of her case that she takes refuge in such subterfuge.

The Prime Minister did it again today when she told us about the great investment record and the booming economy. I wish that she could have brought herself to answer the question honestly and to admit that, during the past four years, net investment in manufacturing and transport has been in a negative rather than a positive form. These are the facts about the economy, and the Prime Minister does herself no credit by trying to pretend anything different.

These are statistics that the Prime Minister polishes, hones and manipulates to impress her weaker-minded Back Benchers, but, on the evidence of the recent past, they do not impress international opinion or fool international confidence, for the collapse of the pound is in no small measure due to the recognition of the debility of the British economy, for which the Tory Government are responsible.

Mr. George Walden (Buckingham) *rose*——

Mr. Michael Howard (Folkestone and Hythe) *rose*——

Mr. Hattersley: I shall give way to the hon. Member for Buckingham (Mr. Walden), who is pointing at me with his left hand.

Mr. Walden: Earlier today, the Leader of the Opposition said the speculation against the pound was irrational. The right hon. Gentleman is now saying that it is an expression of no confidence in the Government's economic policy. Could he elucidate?

Mr. Hattersley: As I understand it, the hon. Gentleman shares my view that John Maynard Keynes had something important to say about economics. The hon. Gentleman will recall that half of Keynes's general theory was an explanation that psychology and economics could not be adequately divided and that what people thought was happening and their impression of what was happening had an enormous effect on the markets, on confidence and on investment. Therefore, the two things go together.

Of course there was a great deal of irrationality about the frantic activity on the exchanges last week and the week before, but equally that irrationality was in part based on what was only to be regarded as a rational judgment about investment prospects. I can explain why that is. Many reasons have been given for the run on the pound. The Chancellor acknowledges only two, the instability in oil prices and the strength of the dollar, but there are two more. I know that my right hon. Friend the Leader of the Opposition will agree with me that these are the rational judgments of hard-headed men who have seen the Chancellor and come to some conclusions, not only from his performance but from what he said.

First, until 11 o'clock on Friday morning, the Government had no exchange rate policy and therefore the market had no idea at what point the Chancellor and the Government would stand and fight. Secondly, and perhaps more importantly, the Government in general and the Chancellor in particular have openly boasted that a continual depreciation, matched with the dollar denomination of the price of oil, would increase the financial adjustment that would enable him to cut taxes. As the Chancellor said that, and as his economic adviser explained in great detail to the Select Committee that continued depreciation and oil being denominated in dollars meant that the Chancellor had more money in his fiscal deficit with which to finance tax cuts, there was a suspicion that the right hon. Gentleman wanted that massive depreciation to meet the demands of his Back Benchers for massive tax cuts.

Mr. Richard Ryder (Mid-Norfolk): In order to meet his own high standards in honesty, will the right hon. Gentleman say whether he wants a higher or lower exchange rate?

Mr. Hattersley: The hon. Gentleman should not play such palpable games. What I want, and I freely acknowledge that I shall not get, is a different economic policy from the Government. Anybody who believes that I or any of my hon. Friends will fall into the trap of

offering tinkerings within the disaster area of the Government's economic policy should improve his tactics. We are calling for a radical shift and change of economic policy. Asking whether there is a better or worse exchange rate, different by 10 per cent. either way, is like asking me where I would like the deck-chair to be placed on the Titanic before it hits the iceberg.

The run on sterling was in part caused by the Chancellor's boast that depreciation gave him more money for tax cuts, but it was caused by other things as well. Just before Christmas, the Chancellor was talking about having £3 billion to distribute. Yesterday, he was not even sure whether he could maintain the £1·5 billion boast. The fact that he has said so many conflicting things and that hardly anybody outside this country as well as inside trusts either his judgment or his statements has had a deeply damaging influence on our prospects.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Will the right hon. Gentleman quote, with references, the occasion on which he alleges that I said that there would be a £3 billion fiscal adjustment? I have never said anything of the sort on any occasion.

Mr. Hattersley: Immediately after the last debate on public expenditure, the right hon. Gentleman, or his agent, briefed every newspaper saying that he hoped for twice as much as he had previously hoped for. The right hon. Gentleman now only adds to his reputation for saying different things on different days. That reputation has done deep damage to the prospects of our economic recovery. The problems of the sterling depreciation were enormously intensified—building on the absence of any exchange policy and the boast about the advantages of depreciation for tax cuts—by the nervous paralysis that inflicted the Chancellor last week. They were then multiplied by the contradictory briefings that were given one day by the Treasury and on the following day by Downing street.

If the right hon. Gentleman wishes to contradict that, I hope that he will tell me of the errors made in the article by Mr. Samuel Brittan, not always the most devoted supporter of Socialism, which set out the names of the officials who have given the contrary briefings that caused the problem to accelerate towards the end of last week.

The problem was brought to a head by the Chancellor's indecision running up to yesterday morning. About an hour and half ago the Prime Minister changed tack again and tried to brush the problem aside, saying that this was not a sterling crisis but a crisis for all currencies and a crisis from which all countries similarly suffered. Some right hon. and hon. Members might ask what all the fuss and panic yesterday was about, whether the crisis were as small as the Prime Minister had suggested. Others will ask whether the Prime Minister did not know, or whether she simply chose not to tell the House, that when she said that Britain's currency has depreciated against the dollar but so, too, had the European currencies, that sterling has depreciated against European currencies as well. That is the essential, and, I fear, intentional error in the Prime Minister's answer. Sterling has depreciated by one-third against all currencies, not just against the dollar, and for the Prime Minister to pretend that the dollar strength is what caused the crisis on Friday and Monday is to deceive herself or to attempt to delude the country.

The underlying cause for the collapse of sterling is the basic weakness of the economy. This leads to the Opposition's second contention—another contention that divides us from the Government—that the abandonment of the medium-term financial strategy would both reduce unemployment and strengthen the economy. There should be positive measures to improve the employment prospects of the country.

That is why the leader of the Social Democratic party, the right hon. Member for Plymouth, Devonport (Dr. Owen), was silly to spend Sunday afternoon, if the newspapers are to be believed, frantically phoning journalists to denounce what he described as diversions from the assault on the Government. The diversion to which he took particular exception was my proposal for repatriating British capital invested abroad, for increasing investment in British industry, and indirectly as a result of those two things, stabilising sterling values. I say to the right hon. Gentleman that anybody can abuse the Chancellor, as the *Daily Mail* proved adequately this morning, but what we now need are some positive statements of alternative policy to what the Government are pursuing. We shall certainly not get them from the leader of the SDP since he supports the Government's economic policy. He said on television last night—and I hope that Conservative Members are prepared to cheer—that the economy is now being run better than it has been run for 25 years. He is, in fact, the crypto-Thatcherite against whom the leader of the Liberal party warned.

Dr. David Owen (Plymouth, Devonport): Will the right hon. Gentleman give us the chapter and verse of this extraordinary statement that was made on television last night? Since I was on television last night and since I said nothing of the sort, I should be grateful to be told the reference. If not, the right hon. Gentleman should withdraw.

Mr. Hattersley: I offer two pieces of evidence. First, I and many of my hon. Friends saw the right hon. Gentleman; secondly, it is reported in detail in today's *Daily Mail*.

Dr. Owen: If the right hon. Gentleman finds when he looks at a transcript of what I said on television that he is wrong, will he withdraw it tomorrow?

Mr. Hattersley: Of course. In that unlikely event I shall certainly withdraw it, and I take it that the right hon. Gentleman will take appropriate action against the *Daily Mail*. That is a bargain, is it not, Mr. Speaker? If I can make a sporting metaphor, I think that I have no takers in this.

I want to make one other point to the right hon. Gentleman. He complained that the assault on the Government's management of sterling was not adequate. An assault of some sort we made yesterday afternoon. Unfortunately, the right hon. Gentleman was not present to take part in it. I know exactly where the right hon. Gentleman was. He was down the road arguing that he should be allowed to appear on television more often.

Putting aside these irrelevancies, I repeat that it is the Labour party's view, although apparently not the view of the alliance, that the whole economy would benefit from an increase in real demand.

On 13 December 1984 the Prime Minister appeared momentarily to endorse that view. At the time she was extolling the virtues of tax cuts that the Government were

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then proposing, and no doubt as the afternoon wears on we shall hear whether the Government's proposition remains. The right hon. Lady said:

"Reduction of tax can lead to extra jobs, as it leads to extra demand." — [*Official Report*, 13 December 1984; Vol. 69, c. 1202.]

May we be told categorically whether that was one of the Prime Minister's slips or whether, at least at that moment, she meant that an increase in demand was a desirable way of changing the Government's economic posture? *[Interruption.]* I think that the Prime Minister is saying something — perhaps she would like to say it to the whole House.

The Prime Minister (Mrs. Margaret Thatcher): An increase in demand as used by the right hon. Gentleman usually means printing money. As he knows, I completely and utterly reject that.

Mr. Hattersley: It is not an answer to my question, but it is an answer to a question. My question was: did the Prime Minister mean it when she said that an increase in demand would create more jobs? On previous occasions she has merely gone on about mini cars being sold, but not enough of them being British. The demand is there, she said. But on 13 December she changed tack and the House, the country and perhaps even the markets are entitled to know whether that was an error, whether it was then intended or whether it has since been withdrawn.

I ask the Chancellor that question specifically: does he believe that an increase in demand is desirable? I must tell the Chancellor——

Mr. Patrick Nicholls (Teignbridge): Will the right hon. Gentleman give way?

Mr. Hattersley: I have given way a great deal. I look forward enormously to giving way more in a moment, but I think that for the time being I ought to obey Mr. Speaker's strictures and press on so that other hon. Members may contribute.

In the past we have always been told that what would improve employment in the country is not a shift in demand, but a shift in the supply side of the economy. I tell the Chancellor at once that I share his view that radical alterations are needed in the structure of the economy. I want a tougher competition policy. I want new forms of industrial investment. I want more effective training programmes.

Indeed, my complaint about what the Chancellor has to say about the supply side is that the changes that he proposes are so unambitious. They amount to two things. They amount to arcane tax adjustments and to a call for lower real wages. He will tell us—because he always tells us—that lower real wages are the sovereign and certain cure for unemployment. If the Government choose to make a massive boost to demand, I say, as I have always said, that a moderation of wage claims would ensure or help to ensure that the new resources were concentrated on job creation, but in present circumstances when demand is inadequate — and on 13 December 1984 it was inadequate even by the Prime Minister's judgment—a reduction in real wages is an unreasonable proposition and an unattainable objective. To my regret, I suppose there is one area where it may be achieved and that is the public sector where the Government are pressing their own employees to accept a wage increase of 3 per cent. even though the inflation forecast is 5 per cent. or more. But in the public sector a reduction in real wages will not produce any more jobs because the Government will make sure that there is a reduction of jobs throughout that sector.

The Chancellor of the Exchequer knows very well the truth about a reduction of wages in the private sector. It will not happen and it is not worthwhile for him to demand it except, of course, for the fact that to the Government the beauty of advocating wage cuts is the knowledge that they will not come about and the consequent opportunity that provides the Government to blame somebody else for their own failures to reduce unemployment.

Mr. Tim Yeo (Suffolk, South): Will the right hon. Gentleman say whether he favours higher wage increases and more inflation, and will he further say what effect that will have on unemployment?

Mr. Hattersley: This must be the last time I give way because of the fatuous questions that I am asked. That is not so much a fatuous statement as an admission of inattention. Two moments ago I made it absolutely clear —and I gladly repeat the exact words—that I want to see a massive boost in demand and a moderation of wages which ensures that that boost in demand is concentrated on job creation rather than an increase in money wages. But without the massive boost in demand the wage increases will not be moderated and it is unreasonable to expect that they would be.

Having explained that to the hon. Gentleman as simply as I can, let me go on to say that I suspect that this afternoon in this very area — the supply side of the economy—the Chancellor will tell us that it is necessary to do what we can to cut taxes in a way that is tantamount to holding down wages in order to make possible certain adjustments to the economy. He will go on to say that it is also necessary to cut taxes to alleviate what is fashionably called the poverty and unemployment trap and therefore encourage individuals who previously would have chosen not to work to find jobs. I find that a rather offensive analysis of the psychology of the unemployed.

If the Chancellor is to advocate the view that the unemployment and poverty trap has to be alleviated not by increases in child benefit but by cuts in taxes, I hope that he will read with some care the work done on this subject by the Institute of Fiscal Studies. I shall read its conclusion on this very point:

". . . any Chancellor who rises on Budget Day and claims that by increasing income tax allowances he has made significant inroads into the poverty and employment traps, or started to sort out the nonsensical interactions between the tax and benefit systems, is simply talking ill-informed nonsense."

I look forward to hearing the Chancellor of the Exchequer on the subject. In the light of that, I ask him whether, as he can best judge today, he intends to pursue the policy of tax cuts which he outlined in the debate on the Estimates. If so, is he doing so solely to influence the supply side of the economy, or is he still claiming—as he and the Prime Minister have claimed — that by cutting taxes there will be a boost to demand that improves job prospects more substantially, pound for pound, than using the available resources in any alternative way?

We know, of course, that the primary purpose of a cut in income tax rates is to boost the popularity of the Tory party, but I must ask the right hon. Gentleman how he believes that his proposed tax cuts will affect the

unemployment figures. Does he believe that there is a better way of using the money at his disposal? I do not think that cutting taxes and letting the unemployed fend for themselves will have the political result that the right hon. Gentleman hopes for and the Prime Minister expects. I share the view expressed or implied by the right hon. Member for Old Bexley and Sidcup that to choose that course would be an insult to the unemployed. I believe that there are millions of voters, including Conservative voters, who have grown more prosperous over the past five years and who would benefit from tax cuts, but who would be revolted by the prospect of their being made more prosperous while the unemployed are left to remain without work.

In my concluding passages I hope to demonstrate that cutting taxes cannot remotely reduce unemployment in the way that the Prime Minister has now taken it upon herself to pretend. I have always argued—and will continue to argue—that direct investment in jobs is a far better way of achieving that aim, pound for pound, than tax cuts. But before I demonstrate that as best I can, I shall consider how much there is available to spend on tax cuts or alternatively on direct job creation.

I assume—I have no doubt that the statement by the Secretary of State for Trade and Industry is intended to contribute to this end—that when the Budget comes along the Chancellor of the Exchequer will find it possible to provide the £1·5 billion fiscal adjustment that is, on his present plans, to be devoted to tax reductions. If the Chancellor wished, he could of course retain the public sector borrowing requirement at its present level—still an appreciably smaller percentage of gross domestic product than is the case with many of our more successful competitors.

After running a long interview with the right hon. Gentleman and a long article by him, *The Sunday Times* then went on to advocate quite a different course of action which he could take—the spending of £3 billion on job creation and the like. But today I am not even advocating that proposal or cross-examining the Chancellor on it. I am saying that within his own parameters and the terms that he has set himself—or had set himself until Friday—there was £1·5 billion to spend. Conservative Back Benchers who have prepared speeches on the profligacy of the Labour party's proposals had better tear them up for this debate at least, because this afternoon I seek only to argue about how the Chancellor proposes to spend the money that he himself says is at the nation's disposal.

Within the terms of the Chancellor's own policy he could, if he thought it sufficiently important, use the money to act directly against unemployment. As a byproduct of that, without changing the tax income a penny or a pound, he could use some of the £3 billion annual reliefs that have been enjoyed by the better-off to carry out a redistribution within the tax budget and to do something about taking the lowest paid out of tax altogether.

But the Chancellor always chooses the high unemployment option when deciding how to spend his money. When I urged that some of the £1·5 billion should be spent on job creation and when, at a recent Prime Minister's Question Time, I urged that it should be spent on direct investment, the Prime Minister said, "Well, that's all very well, but it would create more jobs if it was devoted to the direct employment creation measures." That might be true but the Prime Minister does not propose to spend the money on that either, but to use it to cut taxes.

There is overwhelming evidence to show that to use the money available to cut taxes would not reduce unemployment by anything like the amount by which it would be reduced if the money was used for direct job creation in two forms. First, the money should be used on the infrastructure. It should be spent on the public sector housing stock and on roads. To spend the money in that way would have two automatic and parallel benefits. Our depleting and collapsing capital stock and our infrastructure would be renewed—and while there was time to do so at a massive but not overwhelming cost. If the Government do not respond to the recommendations of the National Economic Development Office report, the deterioriation will continue to such a degree that it will become impossible to restore our infrastructure.

In spending money on building houses, recreating roads, moving the docks into the second half of the 20th century and on all the other desirable projects that are in themselves necessary and right, the Prime Minister would be restoring and creating jobs. She could also do that—and should do it—by a programme of direct job creation in the public sector that would similarly have double benefits. This country needs more nurses, more home helps and more people working in the inner cities. To employ them both rehabilitates our social services and puts the men and women thus employed back into jobs.

Mr. Richard Tracey (Surbiton): I am grateful to the right hon. Gentleman for giving way, because I am mindful that he has now been speaking for more than half an hour. Will he address his mind to the terms of the motion to which he has put his name and tell us what the "largest number of jobs", which is to be found in the motion, means? How many jobs is he talking about? The Labour party has talked of creating 1 million extra jobs. Surely the cash that he has mentioned could not produce that number of jobs. Where will he obtain the extra cash from? What will it cost in extra taxation?

Mr. Hattersley: The hon. Gentleman has not been listening either. I have told him exactly what money I was discussing and what money I was asking the Chancellor of the Exchequer to comment on. The point is not that the hon. Gentleman does me no courtesy but that he does the House no courtesy in wasting time with such frivolous interventions.

I am dealing with the £1·5 billion that the Chancellor of the Exchequer claims to have at his disposal. I am arguing, with the London Business School—once the repository of all economic wisdom—the Institute of Fiscal Studies, the National Institute of Social and Economic Research and even with the figures worked out on the Treasury's own model, that to spend that £1·5 billion to cut unemployment by direct means would in two years cut it by 73,000, whereas to use it to cut taxes would reduce the unemployment total by only rather less than half of that—35,000.

The evidence that I wish to draw to the attention of the House goes further than that. There is a lot of evidence within the Government, from the Department of Trade and Industry, to show that by using the money for direct job creation one is spending the money more directly in the United Kingdom and not dissipating it on imports that

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create jobs for other people in other countries. The figures of the Department of Trade and Industry demonstrate two or three conclusive points. If money is invested in construction, only 15 per cent. of it finds its way abroad into competitor economies. If money is spent on domestic electrical equipment or textiles, 40 per cent. of it ends up abroad. Those are the sorts of items on which the money will be spent if it is used to reduce taxes.

When the Chancellor of the Exchequer had that point to deal with in his article in *The Sunday Times* two weeks ago he did not deal with the figures or with the input/output tables of the Department of Trade and Industry. He merely took refuge in some sort of sentimental chauvinism saying that he had hopes and beliefs that the British people would not spend their money on foreign textiles and videos. Before the right hon. Gentleman expresses such hopes and boasts, I wish that he would talk to some of my hon. Friends who represent Lancashire constituencies. They would tell him that the increase in expenditure on textiles that is likely to come about by a reduction in taxes and increased consumption would be forced into foreign markets because of the collapse of the Lancashire textile industry which has been brought about largely by his Government during the past four years. There is no alternative, and to dismiss that fact by romanticism about faith in the character of the British people is to fly in the face of the facts. That is a habit indulged in by weak-minded Chancellors and even weaker-minded boards of prejudiced opinion dressed up to look like objectivity.

The Institute of Directors' policy unit has produced a paper on this subject. The institute says that to allege that taxes contribute more to imports than any other form of public increase in expenditure is a counsel of despair. It may be a counsel of despair, but it is also true. If the Chancellor wants to invest in jobs he will, therefore, use his money in the way that every authority demonstrates creates the most jobs—what the Prime Minister calls the "measures" and what other people want to see by way of direct investment.

My conclusion—I say this with no pleasure but with deep regret for constituencies such as mine in the northern half of which unemployment runs at 50 per cent. among adult males—is that the Chancellor will not change his ways, because they conform to his policy to choose the high unemployment policy and regard the unemployed as a low economic and low political priority.

Two weeks ago, the Chancellor promised the country a budget for jobs. That was not a wholly original phrase, because last year the Chancellor promised the country a budget for jobs. Unemployment has risen remorselessly. I do not know whether the Chancellor's habit of boast one day and counter-boast the next, claim one day and counter-claim the next, is the result of his wish to deceive, the product of the economy being wholly outside his control, or the outcome of his personality which oscillates from the manically aggressive to the depressively incoherent. Having seen one phase of his character yesterday, I assume that the right hon. Gentleman will be breaking the furniture this afternoon. Whatever the Chancellor's mood happens to be, I tell him that it is now widely accepted, as the right hon. Gentleman must know if he has read a single newspaper today, that his Chancellorship has been a disaster for this country. While he remains in office, combining strategic ineptitude with technical incompetence, there is no hope of reducing unemployment.

5.12 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'rejects the Opposition's doctrinaire commitment to higher government spending and endorses the Government's determination to pursue responsible fiscal and monetary policies, which, along with its policies to improve the efficient working of the economy, provide the only secure basis for ensuring continuing low inflation, steady growth and rising employment.'.

This debate has been somewhat overshadowed by recent events in the markets. I should like to ask the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) to have the courtesy, at least on this topic, to answer the question put to him by my hon. Friend the Member for Mid-Norfolk (Mr. Ryder) on whether the exchange rate should be higher or lower. It is no use the right hon. Member for Sparkbrook just sitting there with that "Oh to be in Nicaragua look" about him, because in the past he has not hesitated to express views on the exchange rate. Suddenly, when he raises this important issue, he has nothing to say about the exchange rate.

The turbulence in the financial markets recently, especially in the foreign exchange market, results from three main causes. The right hon. Gentleman conceded two of those causes in a broadcast the other day. Those causes are outside the Government's control. One cause is the strength of the dollar. It is important to recognise that, as my right hon. Friend the Prime Minister said earlier today, we are seeing a massive and excessive strength in the dollar. The dollar has reached an all-time high against other currencies besides sterling.

It is interesting to examine what has happened during the whole period since the Conservative party first assumed office in 1979 and to note the movements in sterling against various currencies or groups of currencies. During that five and a half year period as a whole there has been a reduction in the value of sterling of 46 per cent. Against the deutschmark—the strongest of the European currencies—the reduction has been 9 per cent. Against the European monetary system index as a whole the value of sterling has increased by 5 per cent. It is clear from those figures that there has been a massive surge in the value of the dollar. That is causing concern to people throughout the world, including those responsible for economic policy in the United States.

The second phenomenon has been the weak oil market. It is true, as the right hon. Member for South Down (Mr. Powell) and other hon. Members pointed out yesterday, that there are benefits to us from lower oil prices. The plain fact is, however, that the present state of uncertainty only adds to the pressure on sterling, and we no more want an unstable oil market than we want an unstable foreign exchange market. We cannot influence the world price for oil in any substantial way.

We must assess the extent to which the exchange movements which result from those two factors put future inflation measures at risk, because we must always have that point in our sights. There is no mechanistic way of doing that. It is a matter of judging the combination of monetary growth and the exchange rate that will keep financial policy on track. At times this means that we may have to have a lower exchange rate and higher interest

rates than we would like. Taken together, there is no risk whatever to the counter-inflation policy; nor, as we have seen from the events in July, is there any threat to the prospect for growth and employment.

Mr. Geoffrey Robinson (Coventry, North-West): Given that there has been such a minor devaluation against the deutschmark, why is there no panic about the deutschmark, and why is the three-month lending rate in Germany still 7 per cent. as opposed to 12 per cent. here?

Mr. Lawson: The reason is that the Germans have succeeded — I admire their success — in bringing the inflation rate down to a much lower level than we have done. Germany has an inflation rate of less than 2 per cent. That is why the Germans can have that level of interest rate.

The third factor is related most closely to the Opposition's motion. I am afraid that there was a feeling in the markets that the Government had lost their willingness and ability to control their affairs so as to maintain the downward financial pressure on inflation. It is clear from market behaviour that this fear was much stronger overseas than at home, and it is easy enough to see why. Those who deal in these markets do not need to know the truth; they need only play safe. The foreign exchange dealers in the middle east, Europe or the United States cannot be sure that the rantings of the right hon. Member for Sparkbrook will be treated with the contempt they deserve. When they read the newspapers and see that, apparently, the CBI is allied with the TUC at NEDC, they do not realise that the CBI wishes to cut public expenditure. The foreign exchange dealers see only the news of the massive increase proposed by the TUC. They know that, when all the talk is of increasing public expenditure, they had better watch out. They play safe and move into the already excessively strong dollar, and the subsequent slide in the value of sterling can damage inflationary expectations. We come close to a vicious circle, and that is why the authorities' reaction had to be correspondingly robust. That is why we did not merely raise interest rates, but raised them decisively in a high profile way, using the Bank of England minimum lending rate. That instrument was specifically retained for just such circumstances.

Mr. Hattersley: The right hon. Gentleman says that he raised interest rates decisively. Does he mean his first bite on Friday, or his correction on Monday?

Mr. Lawson: I should have more respect for that intervention if at any time prior to the increase in interest rates the right hon. Gentleman had once suggested that interest rates should be increased. The use of MLR was retained for just such purposes, and policy overall will maintain even further downward pressure on inflation, because in no circumstances will this Government take risks with inflation.

The simple lesson is that the millions of people around the world who use sterling for one reason or another will not accept that we can produce a more successful economy simply by providing more public money for this or that project—quite the reverse; and of course they are right. We recall what happened when the newly elected Socialist Government of France attempted to do this not many years ago.

If growth, employment and economic success were simply matters of public expenditure, every country would have a successful economy, because there is nothing difficult about public expenditure. Indeed, they would have even more successful economies by spending more and then more again. I can see why observers from overseas are amazed to hear that there are some in this country who still believe in this ancient form of witchcraft.

I reject equally strongly the idea that we can somehow cut ourselves off from the rest of the world. The 1980s are not the 1960s. We are part of Europe. We are part of an integrated Western world. We play an important part—I hope that it will be an increasingly important part—in the international financial system, which provides income and jobs for our people. The Euro-markets centre on London and foreign banks have their European headquarters here.

We could throw the business away if we wished—clearly the right hon. Member for Sparkbrook wishes us to do so—but there would be plenty of other countries willing to take it on. But even if we were to do it, we still could not put back the information technology lock, which means that there is a market somewhere which can be, and is, actively dealt in 24 hours a day every day. Nor can we alter the fundamental fact that the exchange rate is determined in the modern world by flows of capital of immense size. They cannot be stopped by exchange controls or grotesque devices such as the right hon. Gentleman's latest wheeze to penalise overseas investment; presumably, incidentally, overseas investment in the developing countries as well. We live in an integrated financial world, whether we like it or not, and that is the backcloth to this debate.

Mr. Stuart Bell (Middlesbrough): The right hon. Gentleman said that we were part of an integrated Europe. If so, why have we not joined the EMS? Is it not simply because the right hon. Gentleman has no exchange rate policy and cannot possibly join a system of fixed parity?

Mr. Lawson: We have not joined the EMS because, on the balance of the advantages and disadvantages—and there are both—we have decided that at present it would not be right to join. So far from not being a member of Europe, the ecu market is more highly developed in London than it is in any other financial centre throughout the European Community.

Meanwhile, the right hon. Member for Sparkbrook persists in arguing—*[Interruption.]* He does not like listening to any views other than his own; he might have the courtesy to pay attention to what I am saying—that the economy remains in recession and that there has been no recovery. He accused the Prime Minister of some falsification or other, which he was totally unable to sustain. The only falsification which was sustained was his attribution of remarks to myself and the leader of the Social Democratic party, neither of which bore any relation to the facts.

The right hon. Gentleman's interpretation of the economy is extraordinary and is a distortion of the evidence. Output has been rising steadily since the first half of 1981. We are now well into the fourth year of rising output in Britain and that rate of growth has, by historical standards, been most respectable. Between the first half of 1981 and the first half of last year GDP grew at nearly 3 per cent. a year, allowing for the effects of the coal strike.

The right hon. Gentleman talks of boosting demand. There has been no shortage of demand. Indeed, the figures

[Mr. Lawson]

for the last three and a half years, when they are finally in, are expected to show a growth of domestic demand of more than 3 per cent. a year—faster than the equivalent period under Labour.

The balance of demand has also been better. As the House knows, investment—private and public together—has been making a major contribution to growth, and it continues to do so. During the period 1975 to 1979—the recovery period under Labour—consumer spending grew twice as fast as fixed investment. During the current recovery the position has been exactly reversed, with investment growing twice as fast as consumer spending. When final figures are available, they are likely to show that total investment last year reached an all-time record level in real terms, with an increase of 7½ per cent. between 1983 and 1984.

Dr. Jeremy Bray (Motherwell, South): Will the right hon. Gentleman confirm that during the recessionary period of the Conservative Government consumption fell by far less than investment?

Mr. Lawson: That is true of every recession.

What really upsets the right hon. Member for Sparkbrook is that the economy is set to continue to grow at 3 per cent. A continuation of growth is likely because it is based on sound conditions. That is not just the Government's view. It is the view of the OECD, the annual report of which has just been published and which states, talking about the United Kingdom:

"Recovery may be rather more durable for it now appears better balanced and it has not been as dependent as in the past on a strong contribution from stock building and an expansionary fiscal policy."

That is the verdict of the OECD, and that is right, though that is not all. Rising inflation is the mechanism which, in the past, has brought so many recoveries to an end. The striking feature of this recovery, which marks it out from virtually all upturns since the war, is that we do not face rising inflation.

As the House knows, the reason why we do not have rising inflation is that the Government have persistently pursued financial policies which have supported the recovery of output and declining inflation. Opposition Members have eagerly hung on the words of any commentator they could find who would pronounce the imminent ending of recovery and the onset of recession, and then slavishly repeated those assertions. They have not been short of allies. We have heard it year in and year out ever since the recovery began, but on each occasion they have been proved wrong. They have been wrong mainly because they have failed to understand the key role that financial policy has played in reducing inflation and in supporting the growth of output.

The strength and durability of our recovery is, on the whole, well understood—other than by the right hon. Member for Sparkbrook and his hon. Friends—and it is respected throughout the world. The OECD, some of whose words I have quoted, has come to recognise it.

Mr. D.N. Campbell-Savours (Workington): Does the Chancellor believe that the prospect of recovery would be helped by a dollar-pound parity?

Mr. Lawson: No, I do not. [*Interruption.*] At least Opposition Members get a direct answer from me.

The claim of the right hon. Member for Sparkbrook that there has been no recovery is based entirely on the unemployment figures and, of course, it is a great source of concern to us all that unemployment remains high. It is crucial to understand the fundamental reason for that and for its relationship to the growth of output. Fundamentally, it is due to the strangulation of the economy in the 1970s, the painful visibility of what was hidden for so long, and to the quite unrealistic rates of pay settlements.

By the end of the 1970s the United Kingdom had a large degree of disguised unemployment. Everybody knows that a combination of controls and sluggishness to adjust produced widespread and heavy overmanning in a wide section of British industry.

Mr. Dick Douglas (Dunfermline, West) *rose*——

Mr. Lawson: That is clear from the statistics of the time. In the wake of the first oil price shock—the hon. Member for Dunfermline, West (Mr. Douglas), who is an expert on the oil industry, will recall this—productivity growth in the non-oil economy was negligible. There was scarcely any growth whatever. Had employers followed the pattern of earlier periods and adjusted employment in line with output, unemployment in 1979 would have been much higher than it was. What has happened over the past five years is that we have seen the painful process of adjusting to realistic manning levels.

Mr. Douglas: If the Chancellor is concerned about the level of unemployment, has he or his officials made any assessment of the opportunity cost of unemployment? Does he accept that it is costing the nation £30 billion to have the level of unemployment at which he is running the economy? That sum has gone for good. That is the cost of the Government's policies.

Mr. Lawson: The hon. Gentleman does not have to tell me that unemployment has a cost. Of course it has a cost, not merely in financial terms, but in social and human terms. The question before the House is: what are the policies that have the biggest chance of bringing unemployment down? That is what we are concerned with. The starkest evidence of the change of trend is the rapid growth of productivity in recent years. This has reflected industry's attempt to recapture the efficiency which was lost in the 1970s. Productivity in manufacturing industry in particular has risen by more than 20 per cent. since 1980. This is excellent for efficiency, and it is good for costs, but, sadly, it is as bad for jobs in the short term as it is good for them in the long term.

Despite the need to adjust, the overall employment situation would have been much better without the damagingly high rates of pay settlements. The Opposition speak of their concern for unemployment but never lose an opportunity to support any action that will lead to higher pay rates. There could be no starker example of the triumph of opportunism over genuine concern for the plight of the unemployed. Despite the damagingly high growth of earnings, employment has begun to rise. The latest published estimates suggest that the number of people in work in the United Kingdom rose in the most recent year for which we have full figures, while employment was still falling in West Germany and in France. Although registered unemployment stands much too high, it is often forgotten that this country has one of the highest proportions of people in work amongst all the major countries, and well above the European average.

A second significant indication of improving job prospects is the recovery of company profitability, where for so long Britain has lagged wretchedly behind its main competitors. For 1984 the Confederation of British Industry now expects companies operating outside the North sea to show a real net pre-tax return of 7½ per cent., while for this year, 1985, it is forecasting a 9 per cent. real return. If this is achieved, it will be the highest rate of return that we have seen in this country since the 1960s.

In money terms, profits outside the North sea were up 20 per cent. in the year to the third quarter of 1984. There could be no better news for the unemployed than that British industry is once again profitable. It cannot be repeated too often that it is companies, not Governments, which create jobs. It is the job of the Government to do their best to create the conditions in which business can flourish and create those jobs.

My answer to a question which the right hon. Gentleman put to me is that I have stressed on many occasions that we do not make forecasts of unemployment. The margin of error involved in such exercises is enormous, but I should like to take this opportunity to describe to the House the route which I expect to have the greatest possible chance of success in reducing unemployment. Inevitably, in the real world, the creation of jobs is a complex process and it is not possible to be too precise about the route through which new jobs will come. Of course, the right hon. Gentleman has no time for these subtleties. To him there is a simple and easy answer. He says that lower unemployment requires higher demand, that demand is unlikely to go fast enough under present policies and, therefore, that the Government should step in and boost demand. I do not think that I am traducing him when I say that that is what he is suggesting. *[Interruption.]* President Reagan's policy has been to achieve success entirely through tax cuts, which I shall come to later.

The right hon. Gentleman ignores the failure of his suggested approach to work in the past, because it is not for want of trying, and he simply debates the extent of the largest boost that could be made to sound respectable, a figure which differs each time we debate the issue in the House. That is a mistaken approach. Because of the Government's financial policies, we can be confident that there will be sufficient money demand to generate the growth needed to reduce unemployment, provided inflation continues to fall. It is a question not of creating sufficient demand, but of whether the economy works well enough to be able to take advantage of that demand. That is why I have characterised unemployment as a supply side problem, rather than a demand problem; a problem to be solved by micro-economic reform, and not by fiscal irresponsibility.

With a well-functioning, efficient economy it is not difficult to see the route by which unemployment would decline in the years ahead. Inflation would fall, leaving room within the monetary targets for faster output growth. Real wages would grow sufficiently slowly for company profitability to rise to a level that would encourage firms to expand their capacity and enlarge their markets and their work forces. Lower public spending and taxation as a proportion of gross domestic product would help sustain the growth of disposable income and consumer spending and help incentives by removing some of the severe distortions in the tax and benefit system. Throughout industry productivity would rise faster once restrictive practices were ended and obstacles to the use of best practice techniques were removed.

Mr. Robert Kilroy-Silk (Knowsley, North): Given that we are now in the real world and that in the real world only 6 per cent. of the school leavers on Merseyside this year went into full-time occupation, can the Chancellor say when these measures will provide jobs for the other 94 per cent.?

Mr. Lawson: As I pointed out a moment ago, the number of jobs in the economy is rising. But output per head in the economy as a whole might not improve to quite the same extent, as the more modest growth in real wages would boost employment in the more labour-intensive, and thus lower productivity, sectors. The growth of output would be above the growth of productivity. We would do better than we have in the past in maintaining our share of world trade and imports would not take the same share of domestic demand that they have been taking. We would probably see a faster turnover of jobs as people moved to those activities that best suited their ability, aptitude and skills. We would see more geographical and industrial mobility, and the structure of industry would change towards producing those goods that we were best at producing.

These are the characteristics of a well-functioning economy, and they are the only sustainable route to lower unemployment. The Government's supply side strategy is directly aimed at bringing about these conditions. It has been directed towards removing impediments and outdated controls. It has encouraged companies to adopt new techniques and to meet new markets. In general, it has been aimed at helping markets to work better. It has encouraged conditions which assist growth in output and jobs rather than, as too often in the past, holding them back.

The key aspect of micro-economic policy has been the removal of unnecessary obstacles, particularly those which stand in the way of those seeking work. To that end we have abolished controls on pay, prices, dividends, foreign exchange transactions and hire purchase contracts. We have removed unnecessary planning restrictions on industry. We have strengthened policies to promote competition. We have gone ahead with an unprecedented programme of privatisation. We have introduced the business expansion scheme and the loan guarantee scheme. In this context, one of the things that we suffer from most is that new businesses were not started 10 to 15 years ago which could have made a major contribution to our economy today. That is why it is so important to get them started now. We have reduced the rates of corporation tax. We have instituted the biggest programme of youth training ever. We have tackled the abuses of trade union power.

All that amounts over time to a transformtion of the supply side of the economy. The measures that we have already taken have helped to set us on the path towards a more enterprising economy. But there is more to be done, and there is more to be done by others, too, because the Government can do only so much. The private sector must respond and take the opportunities that have emerged. The demand is there, profitability has improved, and many of the obstacles to success have been removed.

[Mr. Lawson]

I am confident that we are seeing the first of the rewards from the steps to create a more enterprising economy, and there are more rewards to come.

The right hon. Gentleman's approach is to say that if there are supply side defects these can be overcome by more demand, but it is clear that

"macro-economic policies cannot on their own make a major contribution to reductions in unemployment over the medium term."

Those are not my words but those of the Organisation for Economic Co-operation and Development report. It goes on to say that

"supply-side measures . . . are essential in this respect, especially those that reduce rigidities in the labour market".

I am glad to see that the right hon. Gentleman nods and agrees that we need to reform trade union law to reduce rigidities in the labour market.

It is simply not possible, except in the very short term, to offset supply side defects by more demand. The only answer is to remedy the defects. It is in that spirit that we must see the debate about public expenditure and taxation.

The choice between public expenditure and taxation has been characterised by the right hon. Gentleman exclusively as a matter of which creates the most demand. That is how he has presented it. But, as I have stressed, Government financial policy is already designed to deliver the right level of money demand. Therefore, the choice must be on the basis of what is best for the supply performance of the economy.

Mr. Hattersley: I believe that the Chancellor is now making a genuine mistake. The choice between public spending and taxation has been characterised by me according to which creates the most jobs. I understand that both create demand. My problem is that one creates demand in Japan, America and Germany. That is the point that I am trying to put to the Chancellor.

Mr. Lawson: Then the right hon. Gentleman must be opposed to any increase in pay, because that might also be spent on imported goods from Japan, Germany and France.

The choice is stark. As a nation, we have to choose between higher public expenditure and higher taxation or lower public expenditure and lower taxation. If a high public spending, high tax economy were the solution to our problems, the United Kingdom would have been the world's economic success story long ago. If high public spending and high taxation were the answer in the 1960s and 1970s, unemployment would not have risen from cycle to cycle and Government to Government. Profitability would not have fallen from cycle to cycle. Productivity growth would not have fallen behind that of other industrial countries, and living standards in this country would not have fallen so far behind those of our European neighbours.

If high public spending and high taxation were the answer in the 1960s and 1970s, our markets would not have been increasingly taken by imports, demand growth would not have outstripped supply performance, and inflation would not have become the curse it did become. Instead we would have prospered. After all, why should there be any end to that transfer of purchasing power from individuals to the state if that is the recipe that is proposed?

There is little difficulty in persuading Governments to tax and to spend. They have always found that very easy and convenient. So where did the policy go wrong? It went wrong because, although Governments may have enjoyed high public spending and high taxes, no one enjoyed the consequences. It was precisely because of high spending and high taxation that the problems that I have outlined emerged. High taxes damage performance and incentives, generate waste of resources, create huge distortions, reduce risk and initiative and banish the spirit of enterprise from our economy upon which everything depends. And it is only lower taxation and lower spending as a proportion of national output that will reverse those pressures.

Mr. Roger Stott (Wigan): Can the Chancellor tell me and the 24,000 people in Wigan who are currently on the dole how they will be helped if tax cuts are given to the rich, who will benefit from them?

Mr. Lawson: I am talking, not about tax cuts for the rich, but about tax cuts for the population as a whole.

Of course lower taxes do not carry tickets with precise jobs written on them. That is not the way in which market economies work. However, the long-term benefits to employment are real and substantial.

Of course none of our policy denies the role of a worthwhile public sector investment programme. To listen to the right hon. Member for Sparkbrook, one might imagine that the Government had stopped investing in the infrastructure and had ceased all capital expenditure. The facts conclusively demonstrate otherwise. Public sector capital expenditure has remained broadly stable in real terms since 1979, and in addition to the £24 billion of capital expenditure—public sector capital expenditure—in 1984-85, some further £5 billion has been spent on repairs and maintenance classified in the figures as current, but nevertheless restoring and enhancing the very assets to which the right hon. Gentleman referred. The right hon. Gentleman has only to look around him——

Mr. Neil Kinnock (Islwyn): What about the Confederation of British Industry?

Mr. Lawson: Let me refer to the CBI as the right hon. Gentleman has mentioned it. It is concerned about spending on roads. Spending on trunk roads next year is planned to run at 25 per cent. up in real terms on the figure that we inherited in 1978-79. That is the truth. As for the water industry, it is planning to increase its investment next year by £70 million, a 9 per cent. rise.

Our record is good, even on the blinkered terms of the right hon. Member for Sparkbrook. However, I do not display this as an exercise in statistical machismo, because public spending on infrastructure is not an end in itself. Any particular project has to be justified on its own merits, on the basis of its own rate of return, taking into account the wider economic and social benefits.

The right hon. Gentleman appears to be oblivious to those elementary points. Along with the Trades Union Congress, for example, he urges additional investment in the nationalised industries. Is he not aware of what the public corporations have said about that matter, as reported in the CBI paper entitled "Fabric of the Nation", published last summer? It states that for the present the nationalised industries

"take the view that, having pushed up their aggregate capital outlays by more than a half in the past five years, from £4,463 million in 1979-80 to £6,757 million in 1983-84, their present levels and patterns of investment spending are broadly consonant with the proper development of their businesses."

That is the view of the nationalised industries.

Public sector housing has reduced, but that is because of deliberate Government policy to shift housing from the public sector to the private sector, which is what the people want to see. Let us look at private sector capital expenditure on housing. Last year, in 1984, it was up roughly 20 per cent. in real terms over 1978, the last full year of the Labour Government. Last year it was running at its highest level ever in real terms. Total investment is also running at an all-time high, and we expect it to be higher still this year.

It is a commonplace of our critics to accuse the Government of obsession with theory and dogma. Yet, in the current discussion about whether employment is best served by lower taxes or by higher taxes spent on public spending, it is our critics who are the slaves of theory. To the man in the street it is pretty obvious that in a low tax economy incentives to work, invest, expand and therefore to create jobs are likely to be stronger than in an economy burdened by high taxes.

The man in the street is much more impressed by concrete examples than by econometric models. It is a fact that Japan and the United States — the two most successful economies at creating jobs and wealth—have far lower tax rates than the United Kingdom. Japan takes little more than a quarter of its citizens' income in tax and the United States takes about one third of its national income in tax, whereas we are taking not far short of half our national income in tax. Faced with that evidence, the man of common sense will not be readily convinced that we can become more efficient and create more jobs by burdening our people with taxes to pay for even higher public expenditure.

Our sophisticated critics dismiss all this as vulgar populism. What use is the concrete experience of Japan or America to a man who relies on an econometric computer model to tell him how the real world works?

Mr. Robert McCrindle (Brentwood and Ongar): Although my right hon. Friend is absolutely right to resist the temptation to see in a large public investment programme the real solution to unemployment, just before he assumes that the only possible alternative is the reduction of direct taxation, will he consider that at least part of any money that he might have to dispense during the Budget might well be dispensed by reducing employment costs—for example, by providing a holiday on employers' national insurance contributions? I am a little worried to find the polarised argument—that it is either one thing or the other—developing. Will my right hon. Friend not ignore the possibility of there being a middle way?

Mr. Lawson: That middle way is much closer to the way that I was advocating. I am glad to have my hon. Friend's support. He will recall that it was for this very reason that the Government abolished the national insurance surcharge — the tax on jobs — which the Labour Government imposed.

For the right hon. Member for Sparkbrook and his erstwhile right hon. Friend the Member for Plymouth, Devonport (Dr. Owen), the computer simulations which they like to quote purport to show that £1,000 million spent on recruiting more civil servants would have six times as much effect on unemployment as £600 million spent on raising tax thresholds. That is what the simulations purport to show, yet no nation in the real world has ever attained full employment, higher living standards or sustained economic growth by taxing productive enterprise to build up its own payroll.

The Government are determined to tackle the harrowing problem of unemployment by the proven, commonsense route of restoring an enterprise economy. That means lower taxes, better rewards for success, fewer restrictions and trade unions being more responsive to their members. It means an education system geared to technical and marketable skills, incentives for new, small and expanding businesses and freedom to own one's home and so be able to move when a better job is available elsewhere. It means converting loss-making nationalised industries from leeches siphoning off resources from elsewhere into new centres of profit and enterprise in the private sector.

Those are the measures, across a broad front, which the Government have taken to transform the British economy. Consistent with the needs of our counter-inflation strategy, those are the policies with which we shall persist.

5.52 pm

Dr. David Owen (Plymouth, Devonport): The Chancellor has made much of OECD figures. One of the OECD's recent studies has sombre news for Britain. It shows that, of the 20 major industrial countries, our standard of living has slumped to fifteenth. It will not be long, on present trends, before Italy has a higher one. Against that sombre background, we should examine some of the Chancellor's statements.

When recalling some of the Chancellor's previous statements, it is not unreasonable that we should doubt the veracity of what he says and his capacity to predict. On 12 July he told us

> "There is no lack of confidence in sterling . . . I have every expectation that the fundamental soundness in the economy will be reflected by a resumption of the trend towards lower interest rates".—[*Official Report*, 12 July 1984; Vol. 63, c. 1400.]

That does not augur well for any of the statements that the Chancellor has made today.

We must deal, first, with the management of the exchange rate. The Government's management of the exchange rate—at the beginning the pound was worth $1·60, it increased to $2·40 and has now plunged to $1·10—reflects the Lawson style. It is a strange mixture of insouciance, indifference, intransigence and, finally, sheer incompetence. It is on the last that we indict the Chancellor today. In Question Time today, the Prime Minister made much of the fact that no one country has enough reserves to stop money moving around the world. She is right. There is no doubt about that. No country can deal with speculative flows on its own. The indictment of Britain's policy, especially in the past five years, is based on its inability to mobilise other countries, which feel similarly, to get co-ordinated and concerted international action.

The Chancellor indicts himself. He said today—the words would have fallen from his lips with more effect a few days ago — that no one has any interest in an unstable oil market or in an unstable exchange market. The Chancellor has been preaching the virtues of utter non-interference in what he purports to claim is a free market in energy prices, when everyone knows that that is complete nonsense. He has also preached the value of no interference in what he also likes to think is a free market in exchange rates. Exchange rates do not always follow

[Dr. David Owen]

market pressures. They are remarkably brittle and incredibly sensitive to irrational forces. I believe that some of the speculation in the past few days has been irrational. The problem is that that irrationality has been fuelled by the incompetence with which the Government have given signs to the market at home and internationally.

Many things can be done in an attempt to smooth exchange rate fluctuations. I favour moving away from the firm fixed exchange rates of the past. We have all learnt some lessons from the tragedies that resulted from hanging on to fixed exchange rates for far too long. However, other countries have recognised far more than the Government, it appears, that it is difficult to plan an industrial economy without rather greater stability in exchange rate markets. The Government seem not to understand that we have the power—it is not massive—to influence exchange rates instability by acting with other countries.

I should like to put to the Chancellor a few serious suggestions about what he should be doing. He is to go to Washington for a meeting of the Versailles group—the five key finance Ministers who already, under the Williamsburg and London summits, are enjoined to try to introduce greater exchange rate co-ordination and stability. The Chancellor will say that there is nothing that we can do about the strength of the dollar. However, there is a lot that the United States can do about the strength of the dollar and there is a lot that it ought to be doing. Moreover, there is much that Europe should be telling the United States straight about what it should do. Britain cannot achieve that alone as we have not the international or financial weight to carry through such a message in Washington.

It is the Chancellor's duty to tell the Treasury Secretary that we are not prepared to put up with the tight monetary policy that the United States is pursuing and the high interest rates that it involves, and that it is high time that the United States acted to relax its rediscount rate—the equivalent of our minimum lending rate. The Chancellor might say that the United States has no intention of doing that. If so, two things can be done. First, we must mobilise the French and the Germans so that the three European countries at the meeting speak together. That brings me back to asking why the Chancellor persistently refuses to gain the collective strength of being a member of the exchange rate system of the European monetary system.

The EMS is not the solution to all of our problems. Membership of it involves considerable disciplines. Anyone who believes that that is the soft option or that it means that there will be no increase in interest rates to defend the exchange rate is living in a fool's paradise. Those disciplines are broadly sensible ones within which this country can live. Over the past year, the pound sterling has not moved massively out of line with the EMS basket of currencies.

To declare this week our intention to join the EMS would have great value in showing the world that this country wanted a more stable exchange rate; would operate within a collective framework within Europe; and was prepared to accept the disciplines of the EMS.

The Chancellor may say that we cannot go in because the pound is too high against the deutschmark. He has said that we have moved down significantly against the deutschmark in the past few years. People can now argue whether the present rate of the deutschmark is competitive, and that if we are going into the EMS we should try to reach agreement to go in a little lower than the present deutschmark rate. I should like to go in at 3.40 or possibly even a little lower. On the point of entry, we could persuade our European colleagues that we should go in a little lower. That should be done. We should then find within the EMS it much easier to co-ordinate French and German pressure upon the United States to do something about the dollar.

It is interesting to note that the Bundesbank intervened in the market on Friday in co-operation with the Japanese authorities with the yen to sell dollars. They only did a little, but it is possible for Japan, France, Germany and the United Kingdom — other European countries would follow—to sell dollars if the United States still refuses to live up to its responsibilities. It is time that we said to the United States, "You are not just damaging us in Europe; you are doing grave damage to the Third world and the developing countries."

The Chancellor may say that the United States will still resist, that it is strong, and that even if Europe sold dollars in a co-ordinated way we should not be able to bring the dollar rate down. I have my doubts about that.

The Chancellor ignores the other pressure that the United Kingdom has. We are the fifth largest oil producer in the world at the moment. Because our oil is in a rather special category, we have more influence on oil prices than our fifth position might suggest. The Chancellor's stance has been hitherto not to intervene, we must be prepared to say to OPEC that while we had hitherto taken the view—rightly in my judgment—that our interest was not in combining to increase oil prices, and that it was an overall world economic interest to keep oil prices low, so we were not taking part in the cartel, if we were faced with United States' authorities who refused to act responsibly in their world role not just as custodians of the dollar but in terms of their impact across the world economy, we should have to start to intervene in oil prices. [AN HON. MEMBER: "In which way?"] We could reduce our production. That would have an effect also on our revenues. But it is too easy to say that is all right because the oil price is denominated in dollars and a fall in the pound increases our oil revenues. One of the reasons—the Chancellor has used it himself—why sterling has been under such pressure has been the oil price movement.

The Chancellor talks about us having a petro-currency and uses it as an argument against us entering the EMS. There are times when the Government should intervene in oil pricing. We have been much upset in the past few weeks by the actions of Statoil and the Norwegians. If we were to co-ordinate with them, as I believe we could, rather more effectively, we should have some impact on stabilising oil prices.

The policy of complete "hands-off" and of leaving oil pricing to market forces is wrong as it is in relation to the exchange rate. It is something in which the Chancellor has the power to intervene. He can intervene in two directions. They would both put added pressure on the United States. They would be essentially European pressures and would be in the overall interest of the world economy.

Mr. Alan Howarth: How does the right hon. Gentleman square his desire that there should be some depreciation of sterling against the deutschmark with his proposal that we should rig the oil market so as to increase the oil price?

Dr. Owen: The only way to achieve depreciation against the deutschmark over and above the one of 10 per cent. that we have had since 16 January 1984, and the depreciation of 7 per cent. against the French franc—it may be moving down as I speak—is to reach agreement on entering the EMS and on the rate at which we would enter. When entering or adjusting the EMS it has been a common practice to persuade the other countries involved to go in at a rate lower than the current market rate. I know that our European partners will not like that. They would prefer us to go in at a rate even higher than our present one. It is not unreasonable, however, for us to argue that, given the trends and our competitive figures against the deutschmark in comparative industries, we should be a little lower than we are currently—*[Interruption.]* If the hon. Gentleman wants us to go in at the present rate, that is a reasonable position. I do not know why the Financial Secretary is laughing. That is a legitimate role, and he cannot have it both ways. Half the time, the Treasury has been arguing against our joining the EMS on the ground that we are not competitive.

I wish to deal with the subject of unemployment and the indictment of the Government by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley). His quotation was wrong. The interpretation, in fairness to him, was not completely right even by the standards of the *Daily Mail*. In the comment I was referring to the position of the alliance parties. The end of that quotation states: "and the Alliance has got to be the party of the future." The complete quotation is:

"There is nothing right wing about running the country's economy rather better than it has been for the last 20 to 25 years and the Alliance has got to be the party of the future."

The quotation does not relate to what the Government have done. I made it clear—*[Interruption.]* I agree that it is poorly reported by the *Daily Mail*, but if the right hon. Gentleman wishes to make the allegation that he has, he should go to the proper text. His veracity was not helped by going on LBC on 27 September and describing me as being passionately in favour of private health and private education. I have never charged a patient in my life, and my children are going through a state education. It would not be a bad start for the right hon. Gentleman if he were a little closer to the truth.

Let us deal with the right hon. Gentleman's prescription for our economic future, and why we should support the Opposition's motion. First, on the point of substance, he is aware that we have long supported increases in public expenditure, but the problem with the motion—it must be coupled with the extraordinary speech that the right hon. Gentleman made on Sunday—is that it is a wholly false prescription for what the country needs. An increase in public expenditure is needed, but there is also a need for an increase in private investment. Infrastructure is not always public. A great deal of public ordering and contracting goes straight to the private sector.

Secondly, there is no shortage of funds for investment. Endless studies have demonstrated that, including one by the former Labour Prime Minister, Lord Wilson of Rievaulx. The money is available, but the problem is that people cannot use it because of the high interest rates. The right hon. Member for Sparkbrook proposes the most extraordinary scheme whereby we coerce funds back from overseas—we force repatriation—create a nationalised bank, and then disburse funds at lower interest rates. There is great virtue in an industrial credit scheme. That proposal has been put forward by my party for some time. We could then channel investment into those areas of technology and industry that are starved of funds at the moment because they cannot afford them. The high interest rates which are the consequence of the Chancellor's action are worrying for industrial investment. There is whole raft of other matters where the Opposition's economic policies are not worthy of support.

I come now to the Government's and the Prime Minister's position on public expenditure. We are asked by the Prime Minister to believe that the current levels of public investment are in some way equal to the levels that were running in 1979. She was at it again last Thursday at Prime Minister's Question Time. But the figures do not bear this out. If one looks at forward investment in the national income and expenditure Blue Book we see that it has progressively fallen since 1973. If we take one particular example—roads—capital investment at 1980 prices has fallen progressively since 1973. It is lower now than it was in 1979. If these were just my criticisms they might be thought to be purely partisan. Yesterday a very interesting speech was made by the chairman of Wimpey in which he said:

"We have seen over the last five years a gradual deterioration in the availability of work that the Government is prepared to make to the construction industry; reducing from 60 per cent. of total workload in the 1970s to the present level of 40 per cent. We have seen the increase in the power of economists who pursue rigid financial policies which they assure the young people of this country, and the vast number of unemployed, that it will 'come right on the night'".

There are numerous industrialists in the country who are bitterly critical of the Government's neglect of the infrastructure. It is no use saying that the infrastructure does not need money to be spent upon it. In the Health Service the Davies report estimates a backlog of £2,000 million worth of repairs which have not been carried out, that half of the building stock in use pre-dates the first world war, that three-quarters of it pre-dates the 1939-45 war and that 88 per cent. of our mental health buildings are over 50 years old. It is not surprising to note that capital spending by the National Health Service as a percentage of total spending has fallen since 1974 from 10 per cent. to 6 per cent.

Mr. Mark Fisher (Stoke-on-Trent, Central): Will the right hon. Gentleman give way?

Dr. Owen: No. Twenty-five per cent. of secondary schools suffer from overcrowding; 900,000 temporary places are still in use; 25 per cent. of schools still have outdoor toilets; 90 per cent. are lacking buildings for practical subjects such as applied modern sciences. Do not tell me that construction work on some of these projects would not be an investment in our future. It would not suck in imports and it would bring work in the construction industry to some regions where 40 per cent. of construction workers are unemployed. Something has to be done about this.

Where is the money to come from? During the last few weeks we have been debating, to cheers from the Tory Benches, how £3 billion is to be spent upon tax cuts. We must have the courage to tell the electorate that it will be unable to have tax cuts of that sort at the standard rate of income tax and that it is not right to take a penny off the standard rate of income tax.

Mr. Howard *rose*——

Dr. Owen: The hon. and learned Gentleman must sit down for a second. If we are asked about tax thresholds, there are better ways of dealing with the problems of the disincentives which undoubtedly exist at the lower level of earnings. Ways of improving family support have to be introduced. Child benefit could be increased but it costs money. That may mean postponing tax cuts. It may be that we shall have to face increased indirect taxes. We have not opposed every single increase or extension of VAT. We wish there to be a widening of the base and some increase in indirect taxation. It has to be sensibly applied. It depends upon where the investment is going, exactly the point made today by my hon. Friend the Member for Stockton, South (Mr. Wrigglesworth). If British Aerospace was to be sold off and the money invested in the new industries of the future, we should find it a great deal easier to support that sale.

Mr. Fisher: If the right hon. Gentleman wants there to be a widening of the VAT base, will he tell the House upon which items he would impose VAT?

Dr. Owen: I shall look at the question when it arises. I have made my views quite clear. I am not in favour of VAT on food. We shall look at the widening of the application of VAT or at an increase in the level of VAT when the matter arises—*[Interruption.]* It is a great joy for the two old parties to go over this ground again. If this country is going to invest in its future and do something about unemployment, people must be prepared to stand up and say that they are prepared to accept some increase in taxation, including indirect taxation. We would not impose VAT on food because we are trying to help those on low incomes. That is why we should increase child benefit and that is why we should not cut the heating allowance or housing benefits. We have to try to share the burdens more fairly. If, however, we are to reduce unemployment there is a cost. It is no good ducking the question. One such cost would be to borrow more than this Government are borrowing, but dangers are involved in borrowing. I believe that the Chancellor will not now have the same room for manoeuvre on the public sector borrowing requirement as he might have thought he had a week ago. Therefore, we have to face the fact that we may have to reduce the amount of money that we put into capital spending. There are other schemes, but they all cost money.

I wish to speak about the restructuring of the national insurance scheme. The national insurance contribution for employers is very considerable. It has been added to by this Government by £700 million more than the savings which Government made by getting rid of the jobs surtax. They have added to employers' costs. I believe that a restructuring and a reduction of that tax would help greatly, particularly if it were geared to helping those employers who are taking people off the long-term unemployment register. There is a massive degree of support for this, but it will cost money.

Again we shall be asked where the money will come from. It will add to the public sector borrowing requirement. It might also mean an increase in interest rates, although I do not believe that it would mean an increase in interest rates as they are at present because they have been jacked up, we are told, by forces outside the control of the Government. However, those Conservative Members who do not wish to face up to the issue of unemployment, who are completely insensitive to the consequences and who are not worried about its social impact will go on producing schemes for tax reductions. I am saying that there should not be tax reductions unless they are specifically and positively geared to creating more jobs.

The most effective way to create more jobs is by a combination of measures. There should be greater investment in the public sector and the private sector, especially in the construction industry—particularly over repairs. I suggest that people should look at what is happening to the secondary roads of our country and their total lack of maintenance.

Mr. Neil Hamilton (Tatton) *rose*——

Dr. Owen: No, I shall not give way. The hon. Gentleman can sit down and later make his speech in his own way.

The other matter is the restructuring of the contribution made by employers towards national insurance. Preferably there should be an overall reduction in order to ensure that restructuring does not hit even those who are employed in high tech industries but, if not, because there is insufficient money, there should be internal restructuring which would be self-financing.

Thirdly, the community programme needs more money to be spent upon it. This is perhaps the most cost effective way of creating jobs, but it does not have quite the same forward investment potential and does not have quite the same long-term return as insulation or repair of poor housing stock or new capital construction projects. The Government will have to face up to all of these problems. If hon. Members are prepared to let unemployment rise or stay at its present levels, they will look for tax cuts from the Chancellor of the Exchequer and hope that they will win back for them some of the Conservative support which they are losing in by-election after by-election. However, there are others who are determined to get something done about unemployment and who are prepared to ask for a reasonable measure of sacrifice from those people who are in jobs and who are reasonably affluent. That cannot be done at the expense of those people who are already on low wages and at the expense of some of those on pensions and fixed benefits. We must simultaneously do something about them.

I wish that the Chancellor could have presented such a broad approach today. To ask the House, and, through the House, the country, to endorse his economic posture and his economic mess of potage that has surfaced over the past few days is an insult.

I should have loved to believe that the debate—it should have been such a debate—would have combined those critics of the Government's policy across the House of Commons and that we would have had a motion from the Leader of the Opposition for which all of us could have voted which may not have been what he and his party wanted but which was what the country wanted. We would have gladly voted for such a motion.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): That is not the Opposition's style.

Dr. Owen: As my right hon. Friend says, that is not their style. Their style is to pursue their own narrow interests at the expense of the national interest. That is not the approach of the two alliance parties.

6.20 pm

Mr. Edward Heath (Old Bexley and Sidcup): I had the opportunity of addressing myself to the subject of unemployment and Thursday's forthcoming debate on regional development last night in Sunderland, in the north-east. As I had what might be considered satisfactory press coverage, unlike the leader of the Social Democratic party—satisfactory except for *The Times* and the *Daily Express*—and as I had wide coverage on television and radio, unlike, apparently, the leader of the Social Democratic party, I intervene tonight with some hesitation. But because of the subject's importance I want to draw some points to the attention of the House.

I must say straight away that I stand here as an avowed advocate of what the Chancellor of the Exchequer described so elegantly as voodoo witchcraft. Perhaps I could explain to the House what I mean by that. It is simply that I regard the present level of unemployment in Britain as appalling. The situation north of Watford is shameful. To go to the north-east of England and find there more than 19 per cent. overall unemployment, to find areas of male unemployment of 30 per cent. or more, and to find in Consett 60 per cent. of juvenile unemployment is to me shameful.

It is particularly heart-breaking when one goes back to an area in which the Conservative party played such a major part in the plan which Lord Hailsham produced in 1963, and which I had the privilege of implementing in 1963-64, which reduced the impact of the loss of 120,000 jobs so that unemployment became less than 5 per cent. That is the first part of what I mean when I say that I am an advocate of voodoo witchcraft. That situation should never have been allowed to arise and is untenable.

Secondly, I mean that public investment now has a major part to play in dealing with unemployment. The Chancellor of the Exchequer will not have expected me to be convinced by anything that he said this afternoon. That I fully understand. I am not really interested in the jibes of the Opposition. It is an insult to those overseas to say they are influenced in their foreign exchange policy by anything which the Leader of the Opposition may have said, either publicly or in the House of Commons. I am not interested in the internecine battles between present and former members of the Labour party. What concerns me is the policy which will deal with the present situation; the strategy which will overcome it, and in a reasonable time.

When a group of young people outside Consett say that they have finished their course and have been unemployed for three and a half years and ask how many more years they will be on the dole before they get a job even if the Government work out a successful strategy, what today can one reply to that? After listening to the Chancellor's speech, what could I say to them that was different from what I said last Wednesday when they put the question to me? It is hardest of all when they say that I am not really interested because the Conservative party does not have many votes in that area and so there is no reason why it should do anything about the problem. That is what we as a party have to face.

Very well, let us look at the situation. We can build on the fact that public opinion now shows itself clearly as having a priority for dealing with unemployment before dealing with tax cuts. It was originally intended that the debate should be on that question. It was the basic question to be dealt with. Public opinion is now quite clear on that. Those who want to go for tax cuts before jobs must prove to public opinion that theirs is the right means. That, so far, they have failed to do.

As has already been said, the debate has been greatly influenced by the present situation of the pound sterling. I want to say one or two things before I come to the important point about the analysis that is being made. Those overseas look at us now—and I have travelled overseas quite a lot in recent months and have experienced it myself—as being a country whose economy is being greatly damaged by a miners strike, for a length of time never previously experienced, and with a Government who, for reasons that those overseas do not understand, appear to be unable to do anything about it. That is a major factor in the way those dealing in foreign exchange look at Britain.

Mr. Tony Marlow (Northampton, North): That is not the point.

Mr. Heath: It may not be the point, but it is the point for them and as they are dealing in foreign exchange that is what matters to the pound.

Secondly, those overseas, as has already been remarked, have become convinced that we are a one-commodity country. They believe that because they have seen the way that our manufacturing capacity has been destroyed, very largely, looking back, as the result of the pound going up to $2·42. They see that clearly—more clearly, apparently, than some of my hon. Friends behind me.

The last factor which was mentioned by my right hon. Friend the Prime Minister this afternoon, which some of us have been emphasising for nearly four years now, is the drain of capital from Britain and much of Europe to the United States.

The point that I want to emphasise in my analysis is that the decline of sterling is not due to anxiety about the public sector borrowing requirement or the fact that the Chancellor may exceed it by £1·5 billion. He has done that in the past and so has his predecessor without similar damage to sterling. That is not the anxiety at the moment.

The second point concerns money supply. We were told that the last figures might prove to be damaging, but they were nothing of the sort. The Chancellor and the Governor of the Bank of England congratulated themselves on that. There is no reason to believe that the next lot will be damaging.

No, those must not be used as excuses for what has been happening to sterling. Therefore, they must not be used as a reason for not considering Government investment on its own merit in the future because they would just be an excuse for stopping Government investment or preventing it from being expanded.

Mr. Tony Baldry (Banbury): Will my right hon. Friend give way?

Mr. Heath: No, I am sorry; I want to get on.

The Chancellor mentioned the Japanese level of taxation and said that it is much lower than ours. In fact, the marginal rate is much higher there. But the characteristic of the Japanese system is that its borrowing requirement is infinitely greater than ours and so is that of every other country. Our public sector borrowing requirement is 2 per cent. of our gross domestic product.

[Mr. Heath]

The German figure is higher than that at 3 per cent. and the Americans at 6 per cent. The Japanese have a high figure. That is the important factor in connection with the PSBR.

As I have said before, those are countries which do not have to support a large public sector. Their Governments are not responsible for ensuring that all the nationalised industries get the investment they require. Therefore, if it is inexcusable to have a 2 per cent. PSBR of GDP, those others are infinitely less justifiable. The plain fact is that the Chancellor has always refused to analyse what is current expenditure and what is capital expenditure in Britain. It cannot be denied that on current expenditure we have a massive surplus and on capital expenditure there is justification for looking after the capital of the people of this country.

I see that my right hon. Friend the Chancellor has now returned to the Chamber. I emphasise again that the reason for the decline in sterling is not related to his public sector borrowing requirement, to any anxiety that he may exceed it by £1·5 billion or to fears that the money supply is out of control, so those arguments cannot be used to try to reduce capital expenditure still further or to block proposals for more capital expenditure.

Mr. Lawson: I apologise for having missed the opening section of my right hon. Friend's speech. On a point of fact, the German public expenditure and budget deficit as a proportion of GDP is significantly lower than ours.

Mr. Heath: That is not the figure that I have. As my right hon. Friend the Chancellor knows, the Germans have rightly been boosting their public expenditure in the present circumstances as investment for their country.

Reductions in taxes as opposed to increased Government investment provide no direct jobs. Jobs may result indirectly if those who have the extra money in their salaries spend it on goods. Those jobs may be in this country or abroad. No direct jobs are provided. That must be plain even to the simplest mind.

Investment in public expenditure for the benefit of the community as a whole provides jobs for those who are now unemployed. Those people will tend to spend their new income on goods produced in this country whereas all the research shows that people already on higher wages and salaries will tend to spend more on imports. We have learnt that from painful experience. Construction and other public works directly create jobs and thus reduce unemployment.

My right hon. Friend the Chancellor has said that such projects should be considered on their merits, and I agree entirely. I could cite a large number of projects which are desperately needed in my constituency in the south. They include drainage and sewerage projects. Despite the sneers of my hon. Friend the Member for Northampton, North (Mr. Marlow), those are vital matters in my area, especially in the old village. Projects of that kind would provide jobs. That is a powerful argument for Government investment rather than tax reductions.

The extent to which my right hon. Friend the Chancellor can produce incentives through tax changes with the £1·5 billion to which he has referred is very limited. Research shows that no tremendous incentive results from such changes. Moreover—my comments on this yesterday have already been publicised and I said the same again this afternoon—it makes no sense to tell people who are unemployed that they need the incentive of tax reductions for those who are in work. Those people want jobs as soon as possible.

Then there is the emphasis on private enterprise. The purpose of improving the country's infrastructure is to improve the opportunities for private enterprise to become more efficient. Any firm north of Watford will confirm that to be more competitive it needs an improved infrastructure. As no one else is capable of achieving that —the provision of infrastructure cannot be privatised— the responsibility rests on the Government to carry out that task, and they should do so.

The argument that Government investment is simply printing money has been advanced again today. It is becoming no more than a parrot cry. What is wrong with using people's savings for Government investment? Every country does that. When the Chancellor says that there is plenty of money around, he is talking about the savings of the people. But what happens to those savings? They can go into Government investment for infrastructure or they can go into private investment. No one could argue that there is insufficient to do both as it is clear that private investment will not be squeezed out by public investment in the present circumstances in the economy, and it is with the present circumstances that we have to deal.

The real danger is quite different. My right hon. Friend the Prime Minister touched on it this afternoon. It is the fact that so much of this country's savings are being drained across the Atlantic in search of high interest rates. That is the danger to us all. One can point to British companies with enormous cash holdings. They are private enterprise companies, but they are not investing in this country. They are putting their money on deposit where they can obtain interest rates above the rate of inflation, and it pays them to do so. Why should they take risks when they can obtain high interest rates simply by moving their money around without taking any risks? That is the real problem.

It is argued that Government investment is throwing away money. That is nonsense. It is a mere slogan, not an intellectual argument. Again, the argument that we cannot "spend our way out of recession" is used to block every proposal to improve the infrastructure. It was the tragedy of the Labour party that the right hon. Member for Leeds, East (Mr. Healey), when he was Chancellor, used that phrase to justify doing what the IMF wanted. The right hon. Gentleman nods in agreement. The Opposition have been paralysed ever since. They have never been able to put forward constructive proposals with any conviction because of that ridiculous phrase. The people's savings can certainly be used for proper investment and every Government in the past used it in that way.

Market activity is constantly emphasised. We must recognise the following facts with regard to sterling. It was believed that the Government had a purely monetary policy from which other things such as interest rates were expected to follow. Sterling could do what it liked, and it is clear that it did just that—rising to $2·2 and now falling to a little over $1·1. We have had to learn the painful way that one cannot operate the market like that. The Germans and the Japanese do not do so. They use the intervention powers of the Bundesbank and the Bank of

Japan selectively and effectively—not continuously, but when they can lead speculators and others to burn their figures. We must return to that technique.

With regard to minimum lending rates, too, we are painfully going through the process of learning that one cannot abandon everything, sit back and expect the market to do everything for us. I hope that the Government now recognise that.

One also cannot operate the market when one party is dominant. That applies to both our national and our international affairs. Nationally, it has been strongly argued that we should not take special measures in regional policy but that we should let the market operate. That was based on the complete fallacy that previous investments in the regions did no good. That can be proved to be a fallacy. It has been picked out by many people as a simple argument to use in an endeavour to help the south.

The south, the south-east and parts of London are dominant in the United Kingdom, and the remainder is being allowed to suffer. The dominant part is continuously attracting such jobs as exist. The north-east, the north-west, Scotland and Wales are becoming poorer and weaker, while the south becomes stronger and richer. I am sorry that my hon. Friends think otherwise, but those who know those regions know that this is the case.

The reason for that is that the measures that are being taken are not being co-ordinated, and are not part of a strategy. They use individual incentives in particular areas, which are often damaging. The effect is that firms move from outside an area in to a smaller special area. That is another lesson that we had to learn in the past.

Mr. Michael Forsyth (Stirling) *rose*——

Mr. Heath: No, I shall not give way.

Mr. John Carlisle (Luton, North) *rose*——

Mr. Heath: I am sorry, I shall not give way.

In the past we had to learn that if a regional policy was to be followed there had to be an overall strategy for both the regions and the country. A regional policy cannot be followed in specific pinheads because that only damages surrounding areas.

I know that Scotland has had success in some respects, especially in new technology, and it deserves credit for that. The north-east is having success at present in bio-technology. However, it is not providing the number of jobs required to deal with unemployment. Until there is an overall strategy for the regions, we shall not get jobs.

The market is not functioning internationally either because it is being dominated by the United States, which operates regardless of other countries' interests. Tomorrow the Chancellor of the Exchequer will attend a meeting in Washington, but he will return empty handed —he knows it—as will all European countries because the American Administration are in no mood to run their policy in any other way. Even if they wanted to, which they do not, the American people would not allow them to. They would say, "We are walking tall. We are riding high. Look, it has been done by a budget deficit of $200 billion a year and a trade deficit of $130 billion a year, still rising". The United States is living on the rest of the world and it will not stop doing that. The Chancellor of the Exchequer knows that very well.

Mr. Kilroy-Silk: The Chancellor should not go.

Mr. Heath: No, it is right that he should go. Europe should use its combined influence. For that reason, I urge on the Chancellor the view that the United Kingdom should become a full member of the European monetary system. He has never yet given an explanation why we have not become a member. He has always said that there are some reasons for joining and some for staying out. What are those reasons? The Chancellor prides himself on being an intellectual. Could he not for once reveal that aspect of his personality? Then we could form a judgment about the Government's policies. There is every reason for joining the EMS at the earliest opportunity. It may or may not be possible to negotiate, as the right hon. Member for Plymouth, Devonport (Dr. Owen) said, but we should join.

France may be derided. It went through far worse circumstances than we are going through with sterling, and survived them because of the EMS. Moreover, the EMS survived despite France. Why, then, cannot we join and adjust ourselves accordingly? The French followed a policy of reflation at the wrong time because some of their markets were deflating heavily, and, obviously, it suffered. Our job is to join the EMS and to use what influence we have.

Nothing that the Chancellor of the Exchequer has said today will give any hope to the more than 3 million unemployed—in real terms, it is nearly 4 million. When he returns empty handed, what will he do? Are we to continue to allow the United States to live on the rest of the world for as long as it wishes, with massive unemployment in the United Kingdom, millions of unemployed in Europe, and with even greater unemployment and increasing debts in the Third world? Is that all that the future holds for us, or has the Chancellor a policy? If so, will he confide that strategy to us?

The crisis that we all face is how long we should continue to support the United States, with its enormous budget and trade deficits, while it continues its policy regardless of the rest of us. That could never have happened under Bretton Woods; it would have been impossible. However, today there is no regulation in the international financial market. It is foolish and the utmost stupidity. Moreover, it is ruining the United Kingdom and Europe.

The Chancellor of the Exchequer and his hon. Friends must decide what action to take to insulate us from the high interest rates of the United States, which we do not require. Without them capital would cease to flow from the United Kingdom, and we would have capital for public and private investment in the United Kingdom, and some hope to offer those who are today without jobs.

6.47 pm

Mr. Eric S. Heffer (Liverpool, Walton): I hope that the right hon. Member for Old Bexley and Sidcup (Mr. Heath) will not be embarrassed by what I have to say. Perhaps I can be forgiven for saying that if he continues in the strain of his speech, as I am sure he will, I could easily become what might be described as a Heathite. The only matter on which I disagree with him is whether we should enter the European monetary system quickly. We must be careful and not rush into the EMS, because there are dangers in it for us. All hon. Members who are genuinely worried about unemployment, and all those affected by unemployment, should give the right hon. Gentleman full support for his speech.

[Mr. Eric S. Heffer]

I do not understand why the right hon. Member for Plymouth, Devonport (Dr. Owen) said that he could not support the motion. We can always improve motions. All hon. Members will agree that a motion does not necessarily carry everything in it that it should. Today's motion is moderate and can be supported by almost all hon. Members, whether they represent the Labour party, the Conservative party, the Social Democratic party, the Liberal party or other parties. I hope that by the end of the evening hon. Members will find it in their hearts to support the motion and so let the Government know that the House believes that the time has come for a fundamental change in the Government's strategy and policies for dealing with unemployment.

The right hon. Member for Old Bexley and Sidcup was right to discuss how unemployment affects individuals and communities. Too often our debates in the House are unrealistic and seem as though they are taking place in an ivory tower. Some hon. Members are unaware of what is happening to ordinary people in areas of high unemployment. The figures contained in the research note from the Library demonstrate the problems. I shall take as examples some constituencies on Merseyside. In Broadgreen, of a total of 8,049 unemployed, 50·8 per cent. have been unemployed for more than a year. The figure for Mossley Hill is exactly the same. In my constituency of Walton, of 10,397 unemployed 51·9 per cent. have been unemployed for more than a year. Of course, some of them will have been unemployed for much longer than that.

Those hon. Members who are still unaware of the true position should speak to my young nephew, who is a skilled engineer. I had problems in getting him an apprenticeship in the first place. As I had some status, I was able at least to talk to some companies, and he was lucky enough to get the chance of an apprenticeship with one of them. At the end of the apprenticeship he got a job for a year, but then the company for which he worked collapsed. He has been without work for more than a year. Although he is trying to find a job on the oil rigs, or in another part of the country, he has almost no chance of doing so. He is just one of thousands of skilled workers in a similar position. He may eventually get a job on an oil rig or elsewhere, but what about unskilled workers, who have no chance of getting a job?

Mr. David Alton (Liverpool, Mossley Hill): I endorse the remarks of the hon. Gentleman, but does he not think that it is wrong that youngsters should be encouraged to become Dick Whittingtons and be expected to go in search of a living elsewhere? Is it not outrageous that some youngsters who live in the centre of Liverpool face nothing other than 50 years on the dole?

Mr. Heffer: I agree entirely with the hon. Gentleman. During the campaign for the general election we discovered when we knocked on doors that, more often than not, it was a youngster who opened it. The mother and father may have managed to continue their employment, or the mother may have got a part-time job, and the youngster provided the meal for them when they got home in the evening. What an indictment of a Government who allow our youth to waste in that way.

That is the tragedy of unemployment. I agree with what the right hon. Member for Old Bexley and Sidcup said about being uninterested in the arguments between those who used to be in the Labour party and some of those who are still in it. I could not care less either. I am worried about the unemployed and about what we can do to create jobs for them.

Merseyside has about the highest unemployment in the country. Perhaps hon. Members saw the recent television programme about a small drugs squad in Liverpool moving against a young man who was involved in the peddling of drugs, whose use is widespread on Merseyside. It is the old story of the devil finding uses for idle hands. That is what is happening in those communities. There has been a growth in the drugs traffic because youngsters have no employment and wish to find ways of making money. There has also been an increase in burglaries and in petty crimes.

Unemployment also causes internal tensions in families. Many live in overcrowded conditions, with recently married youngsters living with their parents when they should be living in their own homes. However, they have no chance of buying a home because they are on the dole. Many internal problems can arise between the two women or the two men in a family.

I am sorry that the leading Government figures have left the Chamber. Perhaps they do not wish to listen to what ordinary Back-Bench Members, as opposed to ex-Prime Ministers, have to say. It would not be a bad idea if they listened to some of those who do not hold eminent positions but who have wide experience of the grassroots of the problem. When I go home at weekends, I meet my relatives who live on council estates. I meet people who are suffering. I must tell Ministers that that is what the debate is about. Too many of them live in conditions that make them immune to the realities of life. Ministers cannot continue to show no understanding and compassion. They must take steps towards investment that will create employment in the regions, as the right hon. Member for Old Bexley and Sidcup said.

I should draw the attention of the House to what another section of society, the Quakers, believes. The Religious Society of Friends sent me, and probably other hon. Members, a proposal from the Hertford and Hitchin monthly meeting. I was born in Hertford, and it is delightful to know that people in the south are also worried about these matters. The society says in a letter to the Prime Minister:

> "We note with concern the intention of the Chancellor of the Exchequer (announced on 12 November) to use cuts in public expenditure as a basis for a reduction in personal taxation. Whether or not such a reduction would aid the British economy, as is claimed, we believe that it would be morally unjustifiable to benefit taxpayers at a time when so many people are suffering the indignity of unemployment and poverty, and when the needs of the Third World are so acute."

I agree with that.

I think that the right hon. Member for Old Bexley and Sidcup is right in one other respect. On one occasion, the Labour party was arguing that we should reduce personal taxation. All parties have done that from time to time. Dick Crossman said to me, "If we reduce personal taxation, that means that I shall have two holidays abroad a year instead of one." Is it not true that the reduction of personal taxation at certain levels will mean that people will have more holidays abroad, rather than that there will be more investment and employment? Is that not the reality?

Conservative Members do not live in the same world as people like myself. We believe in further taxation, but not the kind of taxation suggested by the right hon. Member for Devonport. I do not know what he wants when he argues for further VAT. He was asked what sort of taxation he was concerned with—was it extra VAT on books, on newspapers, on children's clothing or on holidays? I believe in taxation based on income. That is what is required, not taxation through VAT, although we may have to raise a little taxation through that system occasionally.

I shall finish my speech soon, because we have now entered the 10-minute speech period and I do not wish to take too long. I was all right until 7 o'clock, as that rule comes into force at 7 o'clock, but I shall be fair and try not to go over time.

Today can be an historic occasion. I hope that hon. Members, like the right hon. Member for Old Bexley and Sidcup, who feel strongly about this subject will take a stand. Many Conservative Members have privately told me how deeply concerned they are about the problems of unemployment.

Mr. Patrick Cormack (Staffordshire, South): Many say it publicly.

Mr. Heffer: The hon. Gentleman is right.

The Opposition motion can be supported by all hon. Members. I appeal to Conservative Members. If they are really concerned, as I am sure they are, about the need to begin to deal with the problems of unemployment, they should support the motion. Let us begin the process of getting young people back to work, although we are not concerned only with young people. It has been proved that the majority of those unemployed are well below the age of 55, and that is a real strength that could be used to build up our industry. This country is either an industrial nation, or nothing. Therefore, Conservative Members should support the motion and not continue to support the absurd nonsense that we have once again heard from the Government Front Bench.

Several Hon. Members *rose*——

Mr. Speaker: Order. As the hon. Member for Liverpool, Walton (Mr. Heffer) said, we are now in the time for 10 minute speeches. Ten minutes is the maximum time, and if hon. Members are able to speak for a rather shorter time than that I shall be able to call more than 12 Back Benchers in the time remaining until 9 o'clock.

7.3 pm

Mr. Tim Eggar (Enfield, North): One cannot but respect the passion of the hon. Member for Liverpool, Walton (Mr. Heffer) even if one does not admire the logic of his argument.

Over the past few weeks we have heard much argument about whether the Government should spend the Budget fiscal adjustment on tax reductions or on public expenditure. There is a danger that we have become so preoccupied in taking sides on this argument that we have forgotten that our overall priority must be to work towards a package that has only one objective—the creation of jobs, be that through more expenditure, through tax reductions or through reducing employment costs. I shall look briefly at the various options open to us purely in terms of how the choice between those options should or should not create jobs.

I am not a strong believer in infrastructural expenditure. It is not good in itself. One has only to look at the saga of high-rise building or at the power stations programme to realise that infrastructural spending itself can be wasteful. The two most widely quoted infrastructural proposals—roads and sewerage—are particularly bad examples because they cost a great deal in terms of expenditure per job created.

On the other hand, there is a strong need for additional expenditure on the maintenance, repair and improvement of our buildings. Improvements can be made in the way that we spend money. For instance, there is a strong argument for making sure that improvement grants are targeted on those who really need them. Expenditure on the improvement of the building stock should be a priority for this Government.

Quite rightly, the Government have dramatically increased the amount of money that is spent by the Department of Employment. However, they have increased not only the quantity of expenditure but the quality of expenditure. We have only to look at the move to the youth training scheme from the youth opportunities programme to see that. I hope that my right hon. Friend the Chancellor will make available to my right hon. Friend the Secretary of State for Employment the necessary funds to introduce new initiatives. In particular, I am thinking of extensions to the community programme. Expenditure in this sector is good value in terms of money spent per job created.

There has been much talk about the removal of supply side inhibitions to job creation. Sadly, too much of it has simply been talk. Planning controls, health and safety regulations and employment protection legislation, to list but a few, were all introduced at a time of near full employment. One has to ask oneself whether the pendulum has moved somewhat and whether we should put jobs rather higher than these regulations, some of which are undoubtedly inhibiting job creation.

We need to go further and we need to have rather more political courage than we have shown. For instance, we need to tackle the problems of the private rented sector because it is only by improving housing mobility that we can hope to allow people in Liverpool and other areas to move to where the jobs are, which is largely in the south-east. The Treasury should look not only at the cost in housing benefit but also at the tax and economic activity benefits that would accrue by permitting the private rented sector to grow.

There is also the use of the derelict land register. Should we not be thinking in terms of giving private sector developers the right to force the public sector to sell land for development for housing or industrial purposes?

The job creation test applies not only to the supply side to expenditure but to our evaluation of the tax reductions. If there are to be tax reductions, I share the Chancellor's preference for raising tax thresholds; but I would go further. If we are to tackle tax thresholds, we should also tackle the impact of national insurance contributions and their incentive effect on the lower paid. There is, I think, a case for complete co-ordination of the national insurance contributions with the income tax system. It is disappointing that the social security reviews are not paying more attention to working towards the ultimate goal of complete integration of the social security system and the tax system. In other words, if there is an argument for creating jobs through reducing taxes and increasing

[Mr. Tim Eggar]

incentives, let us not only think in terms of thresholds but let us realise that incentives are affected by national insurance contributions and by the social security system.

It is easy for Conservative Members to take a position in favour of infrastructural expenditure or of tax reductions, yet I say to the Chancellor that we are not considering a straightforward choice: it is not a case of one or the other. We are looking to him to produce on 19 March a Budget package which inevitably will involve trade-offs within the broad current economic framework. But there is only one way in which Conservative Members will judge that package—whether it is the best possible package to create new jobs for our people, whether they be in London, in the north-east or in the north-west. My right hon. Friend bears a heavy responsibility.

7.10 pm

Mr. J. Enoch Powell (South Down): It is one of our national weaknesses — indeed, it may be a human weakness widely shared—not to recognise our blessings when they come and consequently to fail to seize them, if not to count them. There is an example to hand in the manner in which the dramatic financial events of the last week or two have been received and interpreted. I believe that those events hold out the prospect, admittedly a long-term prospect, of hope for a reduction in the level of the unemployment which both sides of the House agree to accept as intolerable, although neither side of the House has an intelligible doctrine to explain how it may be reduced.

The initial impact of those events was certainly unpleasant. The Chancellor of the Exchequer found that the conjuncture of the anticipated fall in oil prices and the fall in the exchange rate presented him with a difficulty in funding his borrowing requirement. The attraction of lending across the exchanges at an effectively much higher rate of interest than was offering on Government securities threatened the whole basis of the Chancellor's stand against inflation and obliged him to take action to secure the possibility of continuing to borrow from the public to meet his requirement.

It is, incidentally, not only the borrowing requirement as it features in the Budget statement that the Chancellor of the Exchequer has to bear in mind. A large quantity of sight money in the form of national savings, largely held by persons who are in a position to switch their holdings, is very volatile. The Chancellor of the Exchequer therefore was right to take the action which he did when he did, to protect his ability to borrow from the public and save himself from falling into the necessity of borrowing from the banks. It is in my view quite perverse to accuse the Chancellor of inconsistency in raising interest rates in the short term in face of the fall of the exchange rate. His purpose, the background to his thinking, was not at all to massage the exchange rate. It was not an exercise in the control of exchange rates. It was an exercise in maintenance of the capability of the Government in all circumstances to borrow their requirements from the public and not again have recourse to inflationary borrowing from the banks.

But that is the short term. In the long term I believe what is portended is that one at any rate of the causes of high unemployment may be in process of changing.

There are, of course, many contributory causes to that extraordinary phenomenon. Some of those causes are inaccessible to us. Obviously the demographic cause is inaccessible : we cannot manipulate it. Obviously, too, the rise and spread of technological improvement is something which we could not alter even if we had a magician's wand that would bring it to a standstill or reverse it for us. But among other factors there is one which I believe has received insufficient attention. That is the sudden and massive change in the world situation of the British economy from an economy which was in chronic net deficit on current account and net surplus on capital account into an economy in huge surplus on current account and net deficit on capital account. That changeover was bound to impose upon the economic pattern of this country most painful and severe readjustments, which in turn were bound to express themselves in terms of major unemployment.

Of course, the cause—not necessarily the only cause, but the overwhelming cause — of that disastrous — in retrospect one might dare to call it disastrous — turn round was that Britain had become an oil-surplus country. It is true, therefore, that in one sense our oil bonanza lies somewhere near the heart of our economic difficulties. It was that more than any other single cause which made us a surplus country on current account and therefore a deficit country on capital account. We have been hearing in the debate this afternoon lamentations about that deficit on capital account, represented of course by outward net investment from this country — at the present time no doubt outward net investment from this country into the United States.

The impact upon the exchange rate which has been felt has been attributed more than anything else to the expectation of a fall in the price of oil, which appears to be regarded as a potential disaster that the Government ought to do everything in their power to ward off—a continuation of the paradox existing ever since 1973, that Governments, while bewailing dear energy, have clubbed together all over the world to keep the price of petroleum up.

Now this cannot be right for Britain of all countries. Of all countries, Britain stands to gain by cheap and readily available sources of energy. After all, our former industrial greatness was founded on cheap domestic sources of energy. Indeed, we are now watching the agonies of the industry which placed that energy at the disposal of our industrial revolution and the industrial development of the United Kingdom. I say it is an absurdity, a contradiction, for this country to be party to the maintenance of an artificially high price for a source of energy such as oil.

I am not saying the Chancellor of the Exchequer would be wise to come to the Dispatch Box and say so in so many words at this moment, but we in the House not governed by the same inhibitions ought to be prepared to welcome anything that could reduce the price of oil and make cheaper energy available to this country in a form the source of which is now predominantly within our own hands, under our own control and within the ambit of our national economy.

The mere possibility that this might happen, the perceived prospect of this happening, resulted in a marked weakening of the international value of the pound sterling; but that, of course, is only an index of what would happen if we cease to be a current account surplus country and

again become a current account deficit country. It is an indication of what we might expect to see if we again became an economy with a net capital surplus, instead of a net capital outflow. Those of us, therefore, who can stand back from the day-to-day management of the Government's finances should welcome the two constellations that have appeared in the financial firmament during the past week.

First, there is the indication of a potential break in the structure that has artificially sustained a false price for petroleum products. This afternoon I was shocked to hear the right hon. Member for Plymouth, Devonport (Dr. Owen) suggest that we might cut our production in order further to force up the price of the source of energy upon which we depend so extensively. Secondly, the fallen external value of the pound has become a symbol and signal of the fact that we may again be poised to become predominantly an industrial exporting country. The inhibitions that have lain upon us for the past six years —the inhibitions of an oil surplus overpriced at a time when this country has been in the unnatural predicament of not needing to exert its full industrial capacity to maintain the flow of goods and services between itself and the outside world — have shown some signs of weakening. We have at last seen some sign of a break in the disastrous weather.

That is not something that will necessarily be welcome to the Chancellor of the Exchequer. But it is something that we here should take seriously. We should be able to state it and expose it to examination in a debate such as this — for indeed it involves the future level of unemployment in this country.

7.21 pm

Mr. Michael Forsyth (Stirling): I shall address my remarks to the substance of the motion. It is quite astonishing that we should even be debating this proposition after the lessons of history. It is staggering that the hardy perennial and delusion of British political life — that it is somehow possible to create extra jobs through public expenditure—should continue to be put about by comparatively responsible people who once held high Government office. It is amazing, because there is not a shred of evidence to support that view, and so far we have not heard any evidence tonight to support it.

Public investment in whatever form may appear to create jobs, but in the long term it destroys more than it creates because of the resources that it takes from the private sector, which it pre-empts in so doing. Public expenditure to create jobs has been used by successive Governments of all parties in two broad ways. I think first of direct subsidy and De Lorean, Invergordon, Corpach, Linwood, Bathgate and a score of other examples. I am sorry that my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) is not in the Chamber, but, in the case of Bathgate, we dragged British Leyland kicking and screaming to Scotland to deal with the appalling level of unemployment, which stood at 7 per cent. Today, because that industry collapsed as it was uneconomic and should never have gone there in the first place, unemployment stands at 20 per cent. and the community has been destroyed by that attempt to move against the market.

The direct subsidy approach has a familiar pattern to it. We can all find an example in our constituencies. It starts in hope and acclamation. It starts with everyone jumping on the bandwagon and claiming the credit for having brought jobs to the constituency. But, having gone through a period of losing markets, it ends in closure, dismay and recrimination. I am aware of no example to counter that view, and I am surprised that we should even be considering that.

But there are now some people who say that they agree with that, but that they have found a better, painless way. They say that they have something that will work better, and that the answer lies in the Government simply loosening the reins a little and spending more to create demand. I have no doubt that engineering, building and steel and the other lobbies that we have heard arguing for that would benefit, and that they would take on some labour. But at what cost? The cost would be to send false signals throughout the economy which would result in demand for skilled labour, which is already in short supply, and which would create massive distortions.

The hon. Member for Dunfermline, West (Mr. Douglas) asked about the opportunity costs of unemployment. If he was in the Chamber, I would ask him about the opportunity costs that arise from the money taken in higher taxes or, less honestly, in inflation from private enterprise. What about the results of less demand that will come from higher prices? What about the reduction in investment and competitiveness, and the destruction of jobs that comes from taxing the private sector? Public expenditure is made at the price of removing demand from the private sector.

What is so magical about injecting demand through the public sector? If it creates jobs, why does it not also destroy jobs by taking demand from the private sector? The so-called witchcraft that we have had to listen to tonight represents a call for the creation of short-term marginal skilled jobs and for the silent destruction of many jobs in the private sector that are dependent on real demand. The notion that public sector investment would create more employment is defective, because, as my hon. Friend the Member for Enfield, North (Mr. Eggar) said, the cost of capital investment programmes is high in terms of cost per job. If those programmes are financed from taxation or by abandoning job-creating tax cuts, people will cut, or not take part in, several luxury activities. There will be less entertainment, less eating out and fewer people participating in all the things in the economy provided by the service industries that lead to the employment of more people at a lower cost per unit of investment.

Why, then, should we be debating this issue? I suggest that it is because of the nature of Members of Parliament. The incentive for us as politicians is to dance the light fantastic and to whizz up to the north-east with "Newsnight" or whatever to look at unemployment and to argue for increased public spending with the slogans of care and compassion so that we can be seen to be doing something and to be arguing for expenditure to reduce that unemployment even though the reality is that the jobs that are less visible, and that could be created in the hundreds and thousands by small companies and which do not make the headlines, will disappear. They will not be mentioned and will not be the subject of debate on "Newsnight", or the subject of headlines in newspapers. But then there are no votes to be lost in that.

Mr. John Evans (St. Helens, North): What a lot of drivel.

Mr. Forsyth: The private sector, left to fend for itself and left with the money in its pocket, will invest it far more

[Mr. Forsyth]

wisely than any committee or group of politicians haggling over their constituencies would do. It is inherently more expensive and wasteful to command goods and services in the economy with public rather than private money. The hon. Member for St. Helens, North (Mr. Evans) may say that my speech is a lot of drivel, but he should consider the experience in the United States. The jobs there have come not from large firms benefiting from investment arising out of Ronald Reagan's deficit, or any other form of public expenditure, but from entrepreneurial small business. In the past 10 years the Fortune 500 companies have shed more than 4 million jobs, while 20 million jobs have been created by firms employing fewer than 20 people that receive not a penny of public subsidy. It is the United States' experience that jobs come from small business. In 1981-82, 2·6 million new jobs were created by small businesses while large firms lost 1·7 million jobs.

The problem in our economy is not a shortage of demand. My right hon. Friend the Member for Old Bexley and Sidcup got in a muddle about why rich people were buying video recorders and foreign goods while people who were unemployed could not do so. My right hon. Friend must face up to the fact that there is demand in our economy. The key to creating the jobs we all want lies in a micro-economic analysis of the economy and not in a Keynesian or pseudo-Keynesian macro-economic analysis. If we want more people in employment, we need to make it easier and cheaper for business to employ them. We need to make it less burdensome and more rewarding to start small businesses and to make it easier and more advantageous for companies to expand and grow. Companies will then expand and small businesses will be started.

We must heed the arguments put forward by my hon. Friend the Member for Enfield, North, who said that the key lies in removing the barriers to employment — removing regulation, allowing people to move to where the jobs are, and dealing with employment protection. It lies in dealing with national insurance contributions, the wages councils, planning, health and safety provisions, shop hours, licensing, rent Acts, VAT and the tax and benefit system which mitigates against employment. We should be looking to those methods to provide hope for those in the north-east and elsewhere.

7.31 pm

Dr. Jeremy Bray (Motherwell, South): I shall question later the fundamental beliefs expressed by the hon. Member for Stirling (Mr. Forsyth), but I would first point out that the debate takes place in a context that differs from the one we expected a week ago. An increase of 2·5 per cent. in interest rates will add perhaps £4 billion in a full year to the £16·5 billion for which the Government have already budgeted. Even if only half that amount materialises, it will more than wipe out the surplus to which the Government look forward.

Yesterday's events are bound to have a large effect on the Government's economic policy for next year, especially on public spending. I shall seek to sow some doubts in the minds of Conservative Members about the framework within which the cause and effect works out through the medium-term financial strategy. It may not turn out to be as well conceived as some of them think.

The events of the past few days have not demonstrated the flaws in the operation of the Government's economic strategy. They have demonstrated the defects in the strategy. The problem lies in the volatility of financial markets which, given no steer by the Government, are wildly unstable. The destabilising effect on expectations does the mischief.

Suppose that the foreign exchange market is stable with a 10 per cent. interest rate in Britain. Pressures develop on the pound, so the interest rate is increased, say, to 11 per cent. Money as a store of wealth means that the expected earning power of a sterling deposit increases by 1 in 10. Other things being equal, the value of the sterling deposit increases instantly by 10 per cent. In the short term, that increase in value completely swamps the original increase in the interest incomes stream of only 1 per cent. a year. The interest rate has become irrelevant and has been swamped by the expectations effect to which it gave rise.

But the expectation must be fed. If the Government do not feed that expectation by shaping expectations of the future development of the exchange rate, the longer-term market will be driven by random movements in response to short-term changes in expectations. Those random movements — that drunken walk — will determine the medium-term prospects for the exchange rate and, therefore, for the whole economy.

This classical argument has been advanced for many years, although it has been developed more rigorously and mathematically in present times. The conclusion reached by not only the Opposition but the economic journals must be that the Government should provide some sort of steering. My hon. Friends say, "Good; let the Government intervene."

Reserves are small in relation to trade. At the low point at the end of 1976, United Kingdom reserves of $4 billion were down to four weeks' worth of imports. They now stand at $15 billion, which will finance only eight weeks' worth of imports. Although reserves are small in relation to trade, they are tiny in relation to foreign exchange transactions. Total OECD exports amount to about $4·8 billion a day, but foreign exchange transactions amount to about $60 billion a day — more than ten times the volume of transactions needed to pay for imports on current account.

Total United Kingdom reserves amount to less than two days' worth of the normal foreign exchange transactions in London. If the world had an incentive to take all its foreign exchange transactions through sterling, total British foreign exchange reserves could be exhausted in about six hours. The opportunity for foreign exchange intervention against market expectations is slender.

The Government's response is to say, "It is obvious what to do." The Government say that they should stick to money supply targets and secure a basic equilibrium in the financial markets around which they can operate abroad and at home. If the Government set targets for the exchange rate there is no way they can deliver, and so the Government's credibility is forfeited.

Is there no intermediate position? We should consider what happened yesterday. The Chancellor was so set in his belief about the futility of intervention that, after setting a minimum lending rate, he did not intervene. Therefore, Germany did not intervene, and the markets were left uncertain about the expected effect on the exchange rate. No lead was given.

The oil market has shifted from a deficit in 1976 of £4 billion in the balance of payments to a surplus of £8 billion today. A dollar per barrel change in the oil price reduces the United Kingdom's foreign exchange earnings on the oil trade by about £400 million per annum, or by about 0·5 per cent. of the value of our exports. The fall in the price per barrel of oil from $40 to $27 accounts for a large reduction of 6·5 per cent. in our total export earnings.

If a 1 per cent. change in the exchange rate resulted in a 1 per cent. change in exports, the total fall in the price of oil would justify a change in the exchange rate of, at most, 10 per cent. The fall in the exchange rate that has occurred has already discounted the effect of a fall in the oil price in the United Kingdom to below $10 per barrel. That is quite unrealistic in relation to any conceivable movement in the oil price.

The Government have put the argument qualitatively but have not spelt out the quantitative arguments. What should the Government do? They should give a lead to expectations. The Government are right to distinguish between not having an exchange rate target, and not caring about the exchange rate. But caring and doing nothing are meaningless actions. What are the Government doing? Why are they doing it? The Government are not giving the answers to the foreign exchange markets, so those markets are left groping around.

The Government's broad approach should be to say what they expect will happen, taking account of the fact that private agents will react to their announcement and speculate. If the Government calculate correctly, they will not play into the hands of private speculators.

Better results would be obtained if the speculators saw what was happening and played the game. The financial market would thereby be much more stable. But the Government cannot rely on that. The Government must reckon on the fact that the other agents—private agents and foreign Governments — will go on playing the competitive game. However, the Government can create a situation in which it is in the interests of the other parties to start playing the co-operative game.

On foreign exchange markets, the fundamentals are relative interest rates, rates of inflation, current balances, capital flows and intervention, and exchange rates, of which interest rates and intervention are the instruments.

We could move over smoothly from the present competitive situation to a co-operative solution, in which some parameters are left free, to be adjusted internationally by agreement, for the benefit of all. In the Bretton Woods system that parameter was the actual value of the exchange rate, but there is no reason why it should be. It could be some parameter in an interest rates and intervention rule, or it could be an exchange rate rule which could be adjusted by agreement between nations.

Having once started to play this game, there is a sanction by which nations could be brought to play this game. For if they ceased to play it, they would forfeit the support of other countries for their exchange rates, with drastic consequences to themselves.

My time is up. I plead with the Chancellor and his colleagues to begin to raise these matters in Washington. The right hon. Gentleman will find the most highly developed advocates of them in the research department of the Federal Reserve Board in Washington. If he does not seek allies in the United States, but seeks, rather, the defence of dogma, which is all that he has done today, he will serve this country extremely ill.

7.41 pm

Mr. Richard Ryder (Mid-Norfolk): I was grateful to the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) for allowing me to ask in an intervention during his speech whether he was in favour of a higher or lower exchange rate. He refused to answer my question. I hope that when the hon. Member for Kingston upon Hull, East (Mr Prescott) winds up the debate for the Opposition he will put that matter right.

> "Failure to reduce inflation further and damp down inflationary expectations could put recovery at risk. Prudent monetary and fiscal policies of the kind that have brought us so far will have to be sustained and, where necessary, strengthened."

Those are not my words, nor words plucked from the pages of a Conservative general election manifesto. They come direct from the core of the declaration issued at the end of the economic summit held in London last June.

That declaration was signed by western political leaders espousing such wide political beliefs as republicanism, liberalism, Christian democracy, conservatism and socialism. None of them, from their different political standpoints, could offer instant solutions to the complex international problem of unemployment. Had they been able to do so, I am sure that they would have seized upon those solutions straight away. Those world leaders recognised that reflationary policies could sabotage the careful progress made already and make unemployment worse in the long run.

The occupants of the Opposition Front Bench are perpetrating a hoax on people if they claim that unemployment can be cured quickly. Those who suggest that it can be so cured are not in touch with the realities of government. Their Socialist friends abroad, some of whom are having to grapple with the problems of office on a daily basis rather than dallying in the rhetoric of opposition, are pursuing largely the same economic policies as the British Government.

Only last week the French Socialist Prime Minister, Mr. Laurent Fabius, emphasised that the French Government would continue to curb public spending. He also said that he had no intention of raising public sector wages in a bid to court cheap popularity in the run-up to the 1986 French parliamentary elections. He ruled out pump-priming on the grounds that the Government would put inflation at risk and endanger France's external account. Mr. Fabius stressed last week the importance of improving the competitiveness of the French economy, and has throughout recent months made clear his intention to reduce personal taxation this year in an effort to increase job prospects for young people.

The same pattern is followed in Italy, where there is a Socialist Prime Minister, Mr. Craxi. In a remarkable speech delivered in Trevi just over a year ago, Mr. Craxi said that unless the public expenditure problem in Italy was tackled quickly the whole political and economic fabric of that country would be put at risk. As a result, he doubled prescription charges and cut disablement and supplementary pensions. That was the action of that Socialist Prime Minister. Moreover, in his 1985 budget, published last October, Mr. Craxi gave a commitment to reduce still further the public borrowing requirement in Italy and to reduce the health, education and social security budgets of the Italian Government.

There is a Social Democratic Government in Sweden. I fancy that their politics are closer to the heart of the right

[Mr. Richard Ryder]

hon. Member for Sparkbrook than to that of the right hon. Member for Plymouth, Devonport (Dr. Owen). The Swedish Government have given up subsidising failing industries, and recently one of the country's largest shipbuilding firms was allowed to go into bankruptcy. The Social Democratic Finance Minister, Mr. Feldt, pointed out recently:

"We have restructured old industries — shipbuilding, textiles, steel and mining — remarkable in a European context. Steel capacity has been halved, special needs restructured . . . shipbuilding is a fifth of its original size."

Mr. Feldt also announced his intention to reduce personal taxation so as to increase job opportunities in his country.

The Socialist Government of Spain is led by a bright young Prime Minister, Mr. Gonzalez. He has made clear his intention to introduce a modern social market economy in Spain with a smaller role for Government in industry and a more flexible labour market. He has also said that he wants fewer barriers to domestic and international competition. Last month, when opening his Socialist party's conference in Madrid, Mr. Gonzalez said:

"Without a sound economic policy there cannot be a serious social programme. We were not called on to govern in order to distribute scarcity and hunger."

He concluded his speech by defending his monetarist approach, which he said was vital to save Spain from crisis.

When the hon. Member for Kingston upon Hull, East winds up, let him say why the policies being propounded by the British Labour party are inconsistent with those being implemented by Socialist Governments in the remainder of Europe. Unless he can do that convincingly, the British electorate will continue to believe that the Labour party's policies bear no element of truth.

The Opposition motion calls for that question to be answered. After all, the right hon. Member for Manchester, Gorton (Mr. Kaufman) conceded shortly after the last general election that Labour had lost because the people did not believe them. In the months to come, Labour MPs also have an opportunity to disprove that and to explain at the same time why their policies are inconsistent with those of their Socialist brethren in Europe.

7.50 pm

Mr. Bruce George (Walsall, South): The Chancellor concluded his speech in a rhetorical flourish with a mixture of illusion, bravado and what the Russians call dezinformazia. He has rushed off no doubt to stem a further run on the pound caused by his speech. I am sorry that the hon. Member for Plymouth, Sutton (Mr. Clark) is not here. He wrote a work on the British military high command in the first world war called "The Donkeys". Perhaps he has rushed off to do field research for its sequel, because the Government of which he is a member show the same obduracy as the British high command in the first world war, with the same disastrous consequences for the economy.

In his preoccupation with touring the Socialist horizon, the hon. Member for Mid-Norfolk (Mr. Ryder) forgot to read the Sunday newspapers at the weekend, which showed how an ailing company in America, Chrysler, was rescued and put on the road to success by a pro-capitalist President, so perhaps lessons are not learnt so simply as the hon. Gentleman would have us believe.

When I made my maiden speech here 11 years ago, the Walsall, South constituency which I described was prosperous, with unemployment under 5 per cent., with companies producing goods which were required and a town which half a century earlier was called a town of 100 trades. Many of those giants of industry are now but memories. Indeed, in the last few years the area has been struck by a major crisis, the industrial equivalent of the black death, because unemployment is over 17 per cent. Ten years ago unemployment in Walsall was below the regional and national level. Now, with unemployment in real terms higher than perhaps 25 per cent., I wonder where the goodies which have apparently been distributed —the Chancellor talks of more rewards to come—have gone in the few years since he took this job, with such disastrous consequences. No Saatchi and Saatchi public relations man can disguise the extent of the economic disaster that has befallen my constituency and the west midlands.

When one talks of economic crisis, one thinks of Wales, Scotland, the north-east and the north-west. When I became a Member of Parliament over 10 years ago, the west midlands was held to be almost the engine room of the British economy. Measures were taken to siphon industry away from constituencies like mine to so-called less prosperous areas. The decline of the last decade or so has accelerated over the last few years. I would never argue that the crisis in this country began when my right hon. Friend the Member for Cardiff, South and Penarth (Mr. Callaghan) left No. 10 Downing street, but certainly with the furniture van that brought in his successor there came a rapid acceleration of the decline.

We have seen under this Government an attack on the public sector. I speak unashamedly as a believer in a healthy private sector working alongside a healthy public sector. We have seen public assets plundered. We have not seen great success, as some people claim, with the British Telecom sale. I am one of the 54 million who are not now shareholders, but who until the sale were public shareholders. We are about to see the flogging off of British Aerospace so that the Government may get a little money to squander. Then there is to be the sale of assets such as the construction of warships, a sell-off which will probably be a disaster. The people who are thinking of buying will have to make up their minds in a couple of weeks whether to purchase.

Under this Government the maintenance of an infrastructure assumes a low priority. In my constituency no council house has been built for five years. There are 12,500 on the waiting list and 30,000 outstanding repairs to be done. The local authority, which is Conservative and independent-controlled, put in a bid for £37 million under the housing investment programme. It received £9·6 million. In 1978, the last full year in which we were in office, the allocation was £20 million. Yet six years later it has dropped to £9·6 million. There is a desperate need to improve the infrastructure housing and roads.

In the National Economic Development Council document referred to quite often, there is a reference to the backlog of maintenance and the consequence of delay. It says on page 6:

"The consequences of delaying required maintenance work can be well illustrated for roads. An average life for a roads' surface dressing may be four-eight years. A failure to renew this dressing . . . at the appropriate time can lead to the need for complete resurface at a cost per square metre some ten times greater than that for surface dressing."

That is a timely illustration of the need to enhance the infrastructure of our economy, not simply because it creates jobs, but because by doing so it cuts the costs that would be involved in future.

The once prosperous area which I represent now has the unemployment level of one of the worst areas. That I deplore. A further disaster that will make unemployment worse is the abolition of the county council in the west midlands. We have an authority which has sought successfully to create jobs. The council recently asked Cambridge econometricians to forecast what would happen by the year 2000 if the Government's policies were to continue. Then it asked the experts to forecast what would happen if different policies were pursued. The research projected that if present policies were pursued employment would fall by 225,000 by 2001. The alternative was not as dramatic as some would have liked to see. It forecast that about 180,000 jobs would be lost. The difference is that under the alternative policy we would see the creation of 127,000 jobs in the service sector, but only 15,000 service jobs if present policies continue. Perhaps there are alternatives. The research at regional level could be repeated nationally. There are agencies of Government, county councils, local authorities and organisations in constituencies which could play an even bigger role in job creation.

In transport, the object of a future Labour Government must be to try to undo the damage that has been done to the infrastructure. There is a need for higher investment in railways. The future of transport should not, as the Government propose in their buses White Paper, be handed over to the private sector, which has shown itself manifestly incapable of meeting demands.

My next point relates less to infrastructure than to substructure. In the west midlands we have suffered recently the effects of past industrialisation. Much of the west midlands has been undermined, not just by the Government's economic policies, but by coal mines which are now defunct, by limestone caverns and by ironstone mines. There are enormous consequences for the sale of houses, house building and factory expansion. In fairness, the Government commissioned a study by Ove Arup to identify what needs to be done. In the west midlands and in my area in particular it is a prerequisite for industrial expansion and for the peace of mind of thousands of people to start infilling some of the enormous holes undermining towns in the black country and the west midlands. Only the Government have the capability to mount that exercise.

The Government have been an unmitigated disaster, not just for the west midlands, but for the country. Most hon. Members who have spoken already have been critical of the pure monetarism that appears to have prevailed over the past few years. It may be easy for my hon. Friends on the Opposition Benches to advocate what might be done should there be a Labour Government. Perhaps it is on the Government side that pressure will be more important for alternatives within the present framework.

The Government strike me as being similar to a character in "The Wizard of Oz" following Dorothy or Margaret, collectively searching desperately for a brain, a heart and courage—courage to recognise the failures of their policies and to accept the recommendations of hon. Members who have spoken and who will speak later. The policies of the Government are in tatters. Before our economy collapses completely, let us not be beguiled by some of the beneficial things that are allegedly happening. Surely there must be a change of policy. I hope that even in a small way the debate will contribute to that objective.

7.59 pm

Mr. John Maples (Lewisham, West): The worrying thing about unemployment is not just its present level. Despite 3 per cent. growth and the creation of new jobs at the rate of around 25,000 a month, unemployment is not only not going down but is still going up slightly. If those factors continue, with present demographic trends, we are unlikely to see any reduction in unemployment in the next few years. Just about the only encouraging thing about the unemployment picture is that, as an issue, it has now reached the top of the political agenda. That is not surprising because people find it difficult to accept that the Government can do nothing more about the nation's most serious social and economic problem than sit back and wait for things to get better.

I am no economist, but like many other people in Britain I find myself looking at a paradox of massive unmet demand for goods and services existing alongside mass unemployment. Like those other people, I ask myself whether it is really beyond our intelligence and imagination to devise some way of bringing together the unmet demand and idle resources.

On the other hand, those who simply call for a massive increase in public expenditure do not have the answer to the problem. It is difficult to argue that what is wrong with the economy is that there is shortage of demand. Just about the only thing that is booming is retail sales. The money supply is at the top of its target range. To argue that what is needed is a stimulus to demand helps foreign manufacturers rather than our own. At the same time, there are fiscal measures that we could take that would have the effect of creating more jobs without endangering the Government's overall economic strategy, but before looking at some of those specific measures I should like to examine the public sector borrowing requirement because it is central to the way in which the Government see their fiscal stance.

The Government are in serious danger of becoming obsessed with the absolute level of the PSBR. It has become a self-erected totem of fiscal respectability in much the same way as M3 was before, the sterling-dollar exchange rate has been and the balance of payments was in the 1960s. Perhaps it will go the same way. There is a danger that one is looking at a proxy for what is happening in the economy, finding one simple figure and following it.

The danger is that in concentrating on the absolute level of the PSBR the components that go to make it up are ignored. The effect on the economy of the different items of taxation and expenditure that go to make up the public sector's activities is far more important than the arithmetical difference between them. Does the incidence of various taxes encourage output and employment? Do various items of public expenditure help to reduce industrial costs? Is a particular item of public sector investment likely to show a good return? There is an enormous difference between borrowing money to pay increased wages in the public sector and borrowing money to pay for something such as the M25 road, which will have a substantial and beneficial effect in reducing industrial costs. What is important is not the absolute

[Mr. John Maples]

amount of the borrowing but the use to which it is channelled and whether that use is productive and will help to increase output and employment.

My other problem with the concentration on the PSBR is that I find it difficult to convince myself that small differences in the PSBR have much effect on interest rates. This financial year we have seen an overshoot of £1·25 billion in the projected PSBR, which seems to have had little effect on the market and interest rates. I suggest to my right hon. and hon. Friends in the Government that other factors are far more important in determining United Kingdom interest rates—oil prices, American interest rates and the view that is taken by financial markets of the prospects for domestic inflation. All those have a far greater impact on United Kingdom interest rates than marginal differences in the PSBR. I should have thought that £2 billion either way on the PSBR had far less effect on United Kingdom interest rates than a speech by Sheikh Yamani on oil prices or Mr. Henry Kaufman on the prospects for American interest rates.

Therefore, the Treasury has more room for manoeuvre on the PSBR than it thinks it has. If it planned a PSBR of £10 billion for 1985-86, it could do so with no adverse effect on interest rates if—this is an important caveat—the money were to be productively spent and the commitment to sound public sector finance were continued. If the Treasury adopted that stance, together with the £1·5 billion fiscal adjustment, that would give the Chancellor about £4·5 billion with which to construct a job creation package in his Budget. That is what I hope we shall see, because I do not see how one can avoid the conclusion that tackling unemployment must now come before tax cuts or raising tax thresholds; and every fiscal resource that is available to the Government must be directed to creating employment in the private sector directly or to stimulating output and employment by reducing industrial costs.

Particularly on Conservative Benches, but also in general, the debate has tended to be divided into those who think that the problem can be solved by increased public spending and those who think that it can be solved by continuing a tight fiscal stance and having tax cuts. In fact, there are other uses to which room for manoeuvre on public sector finances can be put. I shall suggest some ways in which I think the Government could use the £4·5 billion, or, in their own terms, whatever fiscal room they think they have to manoeuvre, to help to reduce unemployment.

First, I suggest that we have an increased programme of home improvements grants. I suggest the expenditure of an additional £1·5 billion. The net effect on PSBR would be less than £900 million after tax and social security adjustments are taken into account. On generally accepted figures, that could create about 125,000 jobs in the private sector, in work that needs to be done, which is unlikely to be done without help and stimulus from the Government.

Secondly, we should make a start on reducing the non-pay costs of employment. We abolished the national insurance surcharge, which was right because it was a tax on jobs. Why stop there? Employers' national insurance contributions have exactly the same effect. I suggest that the Government use some of the room that they have for manoeuvre for a phased reduction of employers' national insurance contributions, and I suggest lowering them by 1·5 per cent. a year over three years from approximately 10·5 per cent. to 6 per cent. Some 30 per cent. of national insurance contributions paid by employers is effectively paid by the Government because of the number of people employed in the public sector. Therefore, the cost to the PSBR is far less then it would originally appear to be. It is just under £1·2 billion for each 1·5 per cent. reduction. Such a reduction would both create jobs directly in the private sector and, through lower industrial costs, help to stimulate output and employment indirectly.

That leads to another matter that we should consider, which is the possibility of giving direct cash subsidies to private sector employers to employ people. If a married man with two children and a wife who is not working is unemployed, it costs the Government about £4,000 a year in social security benefit. If he were employed at average earnings, the Government's net tax revenues from him would be approximately £4,000 a year. Therefore, the difference to the Government in PSBR terms between his being employed and being unemployed is a staggering £8,000. Surely it makes sense for the Government to pay a private sector employer £6,000, for example, which is around 75 per cent. of the marginal cost of that unemployment, to employ the man on average earnings.

The rates of subsidy would be different for different types of unemployed people, but they could be calculated. I suggest that we consider seriously constructing a temporary system of subsidies, perhaps for net new jobs created in the next two years, with the subsidies being phased out over a period of four years. That would substantially reduce the cost of employment and therefore stimulate the employment of additional people. It would help to lower average industrial costs and thereby stimulate output.

Finally, we must be more aggressive in our industrial and trade policies in promoting the interests of British companies. We cannot sit around and allow British jobs to be destroyed by unfair foreign competition, and we must not allow foreign companies to capture markets by unfair trade practices. Although we have made some progress on that front, we should be more aggressive in the way that the French and Japanese have been in promoting their national interests. We should adopt the same attitude towards our national interests and the interests of our companies and employers.

I have suggested what I believe to be a modest programme of action which would be a start in the process of increasing production and creating more jobs. I do not believe, and doubt whether anyone does, that we can create 3 million new jobs overnight. However, we can and should develop practical and imaginative policies to tackle unemployment. We cannot appear to wash our hands of the nation's greatest social and economic problem.

8.9 pm

Mr. Richard Wainwright (Colne Valley): I wish that at least one Treasury Minister had been in the Chamber to hear the carefully reasoned challenge of the hon. Member for Lewisham, West (Mr. Maples) to many of the Government's dogmas. I also wish that the time limit allowed me to follow up some of his interesting leads. As it is, I shall speak briefly in support of the Liberal-SDP amendment. It contrasts sharply with the Labour motion, which argues something that we feel bound to oppose—a concentration of all of the resources of Government on

the public sector. Our amendment is also in clear contrast to the tired and complacent phrases of the Government amendment.

Today's debate gave the Chancellor a most timely opportunity to show some leadership in the new circumstances that result from the exchange rate fracas and the hike in interest rates and the grim prospect for jobs that they involve. Aided by the blurred and blunted approach of the Labour Front Bench, the Chancellor missed that opportunity entirely and fell back on defensive remarks. The responsibility of Government for the level of employment coincides with an equally important duty—their stewardship of public assets. Whether they like the public sector that they inherited is irrelevant to that duty. They also have the historic duty of relieving the poorest in our society. Those are three fundamental objectives that no civilised Government can deny for long and they call for a substantial change in the thrust of Government policy.

If the Government need one, the recent chain of events has given them a good excuse for changing their policy. The Government's lamentably poor stewardship of public assets is a matter of common report from all parts of the country and all types of organisation. It is partly the House's fault as our primitive procedures never give us the opportunity, which every sensible business takes at least once a year, to review the state of our assets. We should as soon as possible have a system under which we do not vote public expenditure nor accept a Budget statement until we have had a comprehensive review of the state of public property.

There is plenty of information, which should have been available much earlier, from various private sources and research organisations such as the Policy Studies Institute, and now from the National Economic Development Council. The latter has drawn attention to a backlog of some £2 billion on hospital maintenance, the appalling state of the public sector housing stock, schools, roads and other assets. At the elementary level of repair and maintenance expenditure, let alone capital projects, the Government are falling lamentably short. Until we start to catch up with the appalling arrears in maintenance, there should be no dividend, as it were, to the shareholders who still have jobs and earn a regular income. No business would be allowed by its auditors to pay a dividend until they had been satisfied that the business was putting enough aside for the maintenance of its assets.

We must also consider proper provision for depreciation, including, in these days of rapid development, provision for obsolescence. We have out-of-date public buildings, especially hospitals, some of which are so ancient and difficult to clean that there is more risk of cross infection than from the disease for which a patient is admitted. They have ancient heating systems such as the one in this House which are prodigal with fuel and damaging to health. We must also consider the state of our housing stock.

I endorse heartily the appeal of the hon. Member for Lewisham, West for greater expenditure on house improvement grants. The Government seem utterly unaware of the plight of those people who, often at the behest of the Government, have recently become house owners, and now find that the entire household is without work and therefore have not the means to put the roof back or to deal with the broken chimney stack. There should be an improvement grant system, means-tested if need be, to enable our housing stock to be kept in reasonable condition.

More than 500,000 blue collar workers in construction industries are on the dole. Training opportunities for young people who should be entering construction industries are lamentably few. It ill becomes the Government to boast, as they have done again today, that they have launched what they call the greatest training scheme ever, when their policies are shamefully reducing the opportunities for training in some of our greatest building firms. For example, the chairman of Wimpey reported only yesterday that, whereas in 1979 he had 976 craft trainees, he now has only 260. His figures are even worse for professional trainees in, for example, design and estimating.

The proper maintenance of our assets and the provision of work and practical training for those who need it, some of whom have been waiting three years, are all related. I am dwelling on housing because it provides the greatest opportunities for lasting jobs. The need is eternal and the work is satisfying. As compared with road construction, which is not my hobby horse, house construction and improvement has been shown by various recent surveys to provide three times as many jobs per £1 million spent as road construction.

We should not be too proud to take lessons from the United States. The Federal Department of Housing and Urban Development has for some years operated urban development action grants. I do not have the most recent figures but, by 1982, that Department reckoned that $2 billion spent in Government grants had generated $15 billion of useful housing and development projects in less prosperous areas—not just the most distressed. There is much to be learnt from how other countries are tackling the joint problems of public need and lack of employment. It is high time that the Government adapted themselves to these present circumstances.

8.19 pm

Mr. Ken Hargreaves (Hyndburn): As my right hon. Friend the Chancellor of the Exchequer said, the Government have had some success in reducing inflation; a success which has benefited every citizen, employed and unemployed. Unemployment is now the main worry of most people. There is a feeling that the Government are not doing enough to reduce it. Whether that is true, and whether the criticism is fair, matters little. The Government must redouble their efforts to reduce the number of people who are unemployed. They must, in their own interests, ensure that the public are aware of the effort that they are making.

I believe that the Government are interested in reducing unemployment, just as they are interested in keeping public expenditure under control and about promoting owner-occupation for people in lower income groups. Increasing spending on improvement grants is the only way in which the Government can achieve those three objectives at the same time. Money invested in that sector of housing is not contrary to the Government's current economic policies. Spending of relatively small amounts of money now will not just provide jobs in the housing construction industry and in manufacturing, but will reduce the need to spend larger sums later and allow owner-occupiers to remain in the private sector.

[Mr. Ken Hargreaves]

In mine and similar constituencies, we improve our present substandard housing and keep it in the private sector, or we allow it to deteriorate still further so that eventually it must be demolished and replaced by council houses at five or six times the cost of improvement grants. That cannot be in line with the Government's public expenditure policy. Given that the Government are rightly committed to widening owner-occupation and to selling council houses, it cannot make any sense to allow existing owner-occupied properties to fall into disrepair, to be demolished and replaced by council houses.

Unless the Government alter course, they will in the long term fail in two of the three objectives that I have mentioned. Even if they are successful in the third—reducing unemployment—they will have ensured the need for a massive surge in public expenditure on housing and a shift back from owner-occupation to public sector housing.

The 1983 Conservative party manifesto clearly said:

"Our goal is to make Britain the best housed nation in Europe".

What is the position today? Given present resources, the chance of even approaching that manifesto promise, let alone achieving it, seems impossible. In England alone over 4 million houses are defective in some way, 2 million of them requiring repairs costing between £2,500 and £7,000. The cost of putting all those deficiencies right was estimated at some £30 billion in 1981.

I realise that the Government have made it a cornerstone of their policy to ensure that public expenditure does not consume too great a proportion of the nation's wealth. Progress towards making this country the best housed in Europe depends upon the provision of a sound economic base and on the creation of productive employment—not just the making of artificial jobs—and I look to the Government to provide a balanced programme for housing, to provide the public finance necessary to pump-prime housing strategy, and to do it in a way which attracts additional private investment to an area of spending which is extremely labour-intensive and in which jobs could be quickly created.

I was greatly flattered last week to receive a letter from the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) acknowledging the fact that I was a Member of Parliament who put common sense first. I am most grateful for that comment, despite the fact that it probably ruined whatever slight chance of promotion I had inside the Conservative party. Having resisted the immediate temptation to join the Liberal party where promotion is much easier to obtain, I have to disappoint the right hon. Gentleman further by informing him that the same common sense tells me that it is as easy for the Liberals, who have never had power, to tell the Government what policies they should follow as it is for the Labour party, which will never have power again, to advise the Government.

Anyone can condemn and criticise, but on improvement grants, for example, such condemnation and criticism come ill from the Labour party, during whose term of office from 1975 to 1979 only 67,000 improvement grants were made each year in England—only half the number made by the previous Conservative Government from 1970 to 1974, and less than one third of the 230,000 made in 1983. Criticism comes equally unfairly from the Liberal party, which kept such a disastrous Labour Government in power.

Conservative Members who recognise what the Government have achieved and who welcome it are entitled to say that they want them to do even more. In my constituency, £223,000 was spent on improvement grants in the last year of the Labour Government. Under this Government we shall spend £1·8 million this year. That is an increase which is greatly appreciated in terms of the number of houses dealt with and the significant effect that it will have on reducing unemployment, but even more needs to be done if we are to make inroads into our severe housing and unemployment problems. It would be disastrous to do less, and a tragedy if we do not take the opportunity to do more.

I hope, therefore, that, while the Government will ignore many of the comments from the Opposition Benches, they will listen to the worries of many of their supporters and provide a reasonable balance between the rumoured tax cuts and increased spending on labour-intensive projects in areas of greatest need, which would do much to reassure people that we are determined to do everything that we can to reduce unemployment.

8.26 pm

Mr. Robert Kilroy-Silk (Knowsley, North): I wish not to talk about the sterling crisis or economic policy, but to register the despair and despondency felt by thousands of my unemployed constituents. I should not need to do that nor to lay out the bare facts of the level and scale of unemployment in my constituency, but, given that many people in the south and many Conservative Members representing southern constituencies do not know or understand the scale of the problem in areas such as mine, I feel it incumbent upon me to make it clear to them.

I represent a constituency in which more than 10,000 people are unemployed — a 27 per cent. rate of unemployment — where over 6,000 of them are long-term unemployed, and where in the relatively small town of Kirkby, with a population of between 40,000 and 50,000, there are now over 7,000 men, women and young people unemployed. There are a mere 56 vacancies at the jobcentre and no vacancies — nor have there been for several years—at any of the career offices.

In the borough of Knowsley in 1983 only 10 per cent. of school leavers went into full-time employment and last year only 6 per cent. Over half of the 18 and 19-year-olds have never had a full-time job. The overwhelming majority of my constituents leave school, get married and have children while on the dole and they are never likely to have a job. Their youth, their life, their aspirations and opportunities have been blighted, if not destroyed.

Knowsley is a constituency and a borough that has faced a horrendous and unremitting catalogue of factory closures and redundancies, where currently the only economic activity seems to be that of derelict land reclamation which, in effect, amounts to demolishing factories built 10 to 15 years ago and levelling the ground for some other unspecified activity in the distant future.

As every hon. Member will be aware, the figures do not give an accurate picture of the scale, the depth or the terrifying social consequences of unemployment which are currently a reality in parts of my constituency.

It is not just that whole families are unemployed, or that not one person living in multi-storey blocks of flats—

perhaps seven, 12 or 14 storeys high—is in full-time work, or that people in an entire street are unemployed. There are two boroughs located in my constituency where only 25 per cent. of the economically active are in full-time employment. As one would expect, the result of such long-term unemployment is massive, demonstrable and conspicuous poverty and deprivation.

The poverty and deprivation are illustrated by a great variety of factors. I shall give two examples. Sixty-eight per cent. of all schoolchildren in the borough are in receipt of free school meals, 61 per cent. of the school population is in receipt of some help with school clothing, 80 per cent. of council tenants, in virtually a 90 per cent. council tenant borough, receive some help with housing benefit and more than 50 per cent. of all households are in receipt of state benefit. We have even reached the stage where Fine Fare is no longer viable in my constituency and has had to close down. We have moved on from the closure of factories, social clubs and the local newspaper to the closure of a supermarket which is selling basic food and necessities. To the despair of the population, it was no longer viable and had to close.

Whole areas of both Kirkby and, more horrendously, Cantril Farm, or Stockbridge village as it is now called, contain shops which are boarded up, which have no goods to sell and which no longer function. Nobody in Maidstone, Dorking or Guildford can have any conception of what it is like to see only three shops open in a purpose-built shopping centre which was created only 10 or 15 years ago: a video shop, a baker's shop and a betting shop. Every other shop has corrugated iron across what used to be its windows. This is more reminiscent of Belfast than of a mainland town in Britain. The despair, despondency and distress caused by this ever-deepening poverty is shown very clearly by the vandalism and destruction of our public assets.

Both in this debate and in other debates many hon. Members have alluded to what might be the social consequences of continuing to tolerate such unacceptably high levels of unemployment. Those social consequences are already evident in my constituency. Very few weeks pass without there being some kind of—I use the term in inverted commas but it is used in the full meaning of its term by the police and other members of the local community—"riot" in one part of the constituency. Young unemployed people now burn down schools. They are burnt down with amazing rapidity in Cantril Farm, for example. They then stone the firemen, the ambulance services and the police when they arrive. It has become their only way of showing their frustration and despair. Perhaps it is also their only means of amusing themselves. The way in which this is being allowed to happen without proper public comment, acknowledgement and debate is frightening. Those in the south who speak about an economic revival through tax cuts have no conception or understanding of the depths of despondency in my constituency and other areas like it.

My constituents are not fools. They know that it does not have to be like that. They know that they do not have to be unemployed and that they could have the same opportunities and advantages as are enjoyed by people in other parts of the country, especially the south. They know that it is foolish to have 40,000 people in Merseyside on the waiting list for hospital treatment while hospitals are empty and nurses and doctors are unemployed.

They know that it makes sense to match the need for medical attention with the available resources and that it is absurd that there should be such overcrowding, inadequate housing and homelessness in my constituency, let alone on Merseyside, while their brothers, fathers, relatives and they themselves are unemployed construction workers. They know that it makes sense to use their skills and abilities in repairing the housing stock. They know that it is absurd that such an inadequate social provision should be tolerated while thousands of their fellow citizens are idle. They know that it is possible to put the two together. They know that a totally different world exists in the south and in other parts of the country and that they have been written off.

It would be both obscene and a betrayal of those people if it should be suggested that economic revival or job creation could be brought about by tax cuts. Even more importantly, we cannot go on telling people that they do not count and that they are worthless. We cannot continue to make them feel that they do not belong to this community, that they have no part to play in our society and that they will never be the beneficiaries. Very soon they will take their revenge, and so they should.

8.35 pm

Mr. John Watts (Slough): We have heard from the Opposition Benches yesterday's arguments from yesterday's men. I recall that expansion of public spending and borrowing was the Labour Party's prescription for unemployment in June 1983, but their claim that a massive expansion of public spending and borrowing would achieve a substantial reduction in unemployment lacked credibility and lacks credibility now. The seeds of unemployment were sown in those years of rapid growth in public expenditure at a time when the economy was stagnating. As public spending consumed an increasing share of our national resources we saw also the performance of our economy go into inexorable decline. It was to reverse those inexorable trends of rising public expenditure, borrowing and inflation and the continuing economic decline that a Conservative Government were elected in 1979.

In 1983 we were re-elected with a massively increased majority, of which I am happy to be a part, to complete the task of reversing those destructive trends and setting the economy on a soundly based course of sustainable growth. As my right hon. Friend the Chancellor of the Exchequer reminded the House earlier, the economy is now into its fourth year of recovery. That sustained growth has been achieved without any resurgence of damaging inflation. The present policies of the Government, which have given the highest priority to defeating inflation and controlling public expenditure and borrowing, have created an extra 300,000 jobs in the past year.

I am not persuaded that a return to the policy of expanding public spending is likely to produce a more rapid expansion of employment. Indeed, the simulation on the Treasury model of the effect of the £1 billion increase in local authority capital expenditure showed an increase in employment of only 24,000 jobs, at a cost in excess of £40,000 per job. If, as the right hon. Member for Birmingham Sparkbrook (Mr. Hattersley) argued, the whole of the £1·5 billion fiscal adjustment were used in this way, the net effect would be the creation of only 36,000 new jobs. I consider that to be no great prize.

[Mr. John Watts]

The major achievement of the Government's economic policy has been to combat inflation. I believe that that must remain the first priority. But the achievement has been somewhat more modest when it comes to reducing taxation, even though income tax thresholds have been increased substantially in real terms. When comparisons are made between our economic performance and those of the United States and Japan I find it to be more persuasive that the substantially lower levels of taxation enjoyed in those countries have more to do with their economic success than with any higher level of borrowing.

Reducing taxation must be our top priority. It is not an insult to the unemployed to recognise the need to remove tax disincentives from taking relatively low paid employment. The priority which my right hon. Friend the Chancellor attaches to raising income tax thresholds is right. However, I would also urge him to have regard to another similar disincentive, that which arises from the incidence of national insurance contributions.

I urge him to consider two changes. First, he should change the system whereby the total income becomes liable to contribution once the threshold is crossed. That results in a confiscatory marginal rate of tax and is every bit as much a disincentive to taking relatively low paid employment as is the incidence of income tax.

Secondly, following an argument similar to that advanced by my hon. Friend the Member for Lewisham, West (Mr. Maples), I ask my right hon. Friend to consider providing an incentive by way of remission of employers' contributions to businesses which increase employment. What I have in mind is not an across-the-board reduction in rate or any specific payment of subsidy, but rather a system where perhaps a ceiling is set on the amount that a company would be required to pay in employers' contributions. That should be set at the level paid in the previous year so that the company will have, so to speak, a year's tax holiday from paying the employers' part of the national insurance contribution that related to any increase in its payroll costs.

If that were done, it would not only provide a direct incentive to increase employment, but it would also have the effect of reducing unit labour costs. I am reminded of my right hon. Friend's assertion in the debate on unemployment in October 1984 of the connection between reductions in the level of real earnings and increases in the level of employment in the economy—that for every 1 per cent. reduction in the level of real earnings there is an increase of between 0·5 and 1 per cent. in the level of employment, between 150,000 and 200,000 jobs. A further reduction in employers' national insurance contributions in the way that I have suggested would achieve a similar result.

I commend my right hon. Friend's rejection of siren calls for a return to voodoo high expenditure policies, whether those calls come from the Labour Benches or from below the Gangway. Such policies have not achieved conspicuous success in the past and I have no reason to believe that they will be more successful now.

For my part, I shall continue to support the economic strategy on which I fought and won my election campaign in Slough in June 1983.

Mr. Barry Sheerman (Huddersfield): The hon. Gentleman will not be here long.

Mr. Watts: Time will tell whether I or Labour Members are right.

That strategy is one of continued lower inflation, firm control of public spending and borrowing, and progressively lower taxation to provide the best recipe for sustaining economic growth and increasing employment opportunities.

8.42 pm

Mr. Austin Mitchell (Great Grimsby): I do not intend to follow the hon. Member for Slough (Mr. Watts), but his speech was a manifestation of the state of mind that Back Benchers of a faltering Government get themselves into, whistling in the wind to keep their own spirits up. It is potentially a manifestation of the bunker mentality which is coming over the Government as they attempt to talk up a recovery which is faltering. It was never a real surge of growth, but a rather small bounce back from the immense depression and deflation which they inflicted on the economy between 1979 and 1981. If the Government have an economic strategy, it is essentially the belief that since phoenixes rise from ashes, the more ashes we create the better the health of Britain's economy will be.

Nor do I intend to speak at length in praise of the Opposition's motion, because that is so obviously straightforward that there is no more to be said about it. We are in a situation which Galbraith described in the 1950s, which I then thought applied to America rather than to Britain, of private affluence and public squalor. That description is beginning to describe what is happening in Britain under the Government. Thanks to that, there is so much to be done by public spending that the motion speaks for itself.

However, we must emphasise the other side of the story. We need to emphasise the problem of manufacturing and, yes, the problems of the private sector. The Labour party is the only real friend of the private sector, particularly manufacturing industry, in Britain. It is the only party whose policies can provide should be dedicated to provide, and will be dedicated to provide, the climate of expansion, growth, buoyancy and optimism, and the framework which industry needs if it is to expand, to grow, and to bring down unemployment.

The Government, the so-called friend of the private sector, have done the exact opposite. They have inflicted immense damage on industry and the private sector. The Prime Minister's economic policies are not really economic at all. They are a system of morality. The right hon. Lady wants, not growth, but a discipline on the economy. Unfortunately, in a modern, complex, capitalist economy, discipline is the enemy of that which is needed to provide the dynamic for the future — investment. Investment needs the expectation of profit. It needs the climate of optimism and the expectation of growth ahead. All that the Government have generated is depression, discipline and gloom, which are the enemies of the investment that we need to get us out of our difficulties.

The real agency of mismanagement under the Government has been the exchange rate. The value of the pound as against other currencies, the means which adjusts our relationship with the world, is essentially an instrument of economic policy. It is not something to be put aside and neglected entirely; nor is it the phallic symbol which Conservative Governments in the past have seen it as.

It is a test of the stupidity and intellectual failure of so much of British industry that it has not seen the importance of the exchange rate and the importance of bringing that exchange rate down to improve our competitive position in the world and to give to industry and the economy the only boost which can now get us back into a competitive situation. The fall, which has really been a rise in the dollar, should have been welcomed by the Government, and, indeed, by the country, because it was taking us back towards a competitive situation. Unfortunately, the Chancellor lost his nerve and decided to increase interest rates to defend the pound, as if the pound, having been neglected by the Government for so long, was suddenly a sacred symbol again.

Yet the Chancellor has done that just at the moment when the decline against the dollar was opening up substantial opportunities in America to British exporters. We were not seizing them as avidly and successfully as the Japanese or Germans, but the opportunities were there and British industry was responding to them. The right hon. Gentleman is trying to choke off those opportunities, and at the same time he has failed to recognise that the pound is still substantially over-valued against the currencies of those countries which are now our major industrial competitors, particularly West Germany and Japan. We are still substantially over-valued in real terms against West Germany.

At the end of 1976 the Labour Government pledged themselves to the IMF to manage the exchange rate to maintain the competitive position of British industry at home and abroad. Yet the pound is now in real terms about 40 per cent. over-valued against the deutschmark. How can we maintain a competitive position against West Germany? It is no wonder that we are running such a huge deficit in manufactured trade with the EEC—a deficit which this year will almost certainly be over £10,000 million.

We are essentially becoming an industrial and manufacturing colony of West Germany, not a great manufacturing power in our own right, thanks to the way in which the exchange rate has been mismanaged by the Government. The effect has been felt by manufacturing industry. That is where the jobs have gone. That is where the expansion needs to come. That is where our efforts need to be concentrated. To fulfil those efforts we can only use the exchange rate to get us back to a competitive situation.

The surge in unemployment has come, not in the public sector, but in the manufacturing sector of the economy. The jobs have been lost there. The number of jobs lost in manufacturing is almost as great as the total increase in unemployment. In the five years to June 1984 we lost nearly 1,700,000 jobs in manufacturing. That has been the basic cause of the rise in unemployment. In the five years to the second quarter of 1984 employment in manufacturing in the United Kingdom dropped by 22 per cent., compared with a fall of only 7 per cent. in the United States and an increase of about 5 per cent. in Japan. Whether a developed economy loses manufacturing jobs depends upon how the economy is run and with what aim. The loss of manufacturing jobs is a uniquely British failure, caused largely by exchange rates.

The problem is therefore to get the pound down. To do that, we need to spend. Recessions arise from no other cause than a deficiency in demand, which means a deficiency in spending. The only way to get demand up again is to spend. Whether that spending comes from the Government or the private sector is immaterial. The Labour strategy would be a combination of both. There must be an increase in spending to redress the deficiency in demand. In my view, that increase in spending must be financed not just by borrowing and taxation, both of which merely transfer purchasing power from one section to another, but by the creation of additional purchasing power—as has occurred in the United States thanks to the inflow of funds from overseas. Conservative Members who believe that unemployment is inevitable should consider that in the United States that process has created 7 million jobs in little more than two years.

In this country we might need to print the money, but we must have that increase in the money supply to boost purchasing power so as to achieve an expanding economy. With the old-fashioned gold standard, if the economy was depressed gold would flow in, thus enlarging the credit base and increasing the money supply so that interest rates fell and investment picked up. That was an automatic adjustment mechanism. The Government are doing exactly the opposite. Instead of printing the money and expanding the money supply, they have been over-funding and taking money out of the economy, largely so that the Chancellor could achieve monetary targets which were mere fetishes bearing no relation to the economy, as well as helping his banking friends.

Expansion in the sense that I have described may produce a surge in demand for imports, but there is no harm in that if those imports are used to create jobs and investment in this country. Even if they merely reduce the balance of payments surplus, they will bring down the pound, and by bringing down the exchange rate will make industry and the whole economy more competitive. There is no inevitable, fatalistic correlation between being an oil power and going into industrial decline. Whether manufacturing industry declines depends——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I call Mr. Alan Howarth.

8.53 pm

Mr. Alan Howarth (Stratford-on-Avon): It is said that the Labour party motion on the supremely important subject of unemployment amounts to no more than a recycling of the illusion that we can spend our way into prosperity and into jobs. The hard-won experience of a generation should have taught us that that is not so, that to concentrate resources in the public sector is to use them relatively inefficiently and unproductively, that a spending boost born out of panic generates few and temporary jobs and that the increases in taxes, interest rates and inflation caused by such a boost are damaging and destroy jobs elsewhere in the economy.

My right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) referred to Lord Halisham's expedition to the north-east, but in 1963-64 public expenditure represented 34 per cent. of GDP, whereas in 1983-84 it was 43 per cent. Somewhere in that progression or deterioration we crossed the critical threshold beyond which high and stable employment, which should always be a cardinal objective, is no longer to be had and political stability is even at risk.

It is strangest of all that the Labour party should put down this motion at the very time when the Government, whom the Opposition condemn for heartless stringency,

[Mr. Alan Howarth]

are being given a rather rough time by the markets, which suspect a certain fiscal laxity. One wonders where the pound and interest rates would be if the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) were Chancellor.

I wish to refer briefly to four elements which should be part of our strategy for jobs. I believe that the Government can do significantly more and that there are more levers to pull than my right hon. Friend the Chancellor has recognised.

First, we should renew our attack on inflation and be more consistent about it. It is no coincidence that in the years since the war peaks of inflation have been followed by new peaks of unemployment. The reasons are clear. Inflation saps the profitability of companies, reducing the capacity and willingness of managers to invest. It induces aggression in pay bargaining. It drives up interest rates. In all those ways, inflation destroys jobs.

Unemployment is properly the intense preoccupation of all of us. There can be no Member of Parliament who is not urgently concerned to find ways to reduce unemployment and the unhappiness that it brings. It does not follow from that, however, that we should somehow subordinate our attack on inflation to policies to reduce unemployment. On the contrary, the two are inextricably tied together. I am concerned that the Government have slackened their drive to reduce inflation. It was 3·7 per cent. annualised at the time of the general election. In the year ending last November it was 4·9 per cent., and it is predicted to be 4 per cent., 5 per cent. or even more in the coming year. I am even tempted to suspect that my right hon. Friend the Chancellor has become something of a crypto-reflationist. His last Budget marked a certain shift away from the emphasis on control of public expenditure and the reduction of inflation towards a preference for tax cuts and growth. At that time inflation was predicted to be 4 per cent. in the second quarter of 1985. The autumn statement marked a further shift in the same direction and the prediction rose to 4·75 per cent.

I believe that my right hon. Friend has run certain risks in the reflationary direction. He has made it clear that he is impatient to bring interest rates down — naturally enough, but in my view somewhat impetuously—and he has made it clear that he has been happy to see some devaluation of the pound. He has also held out the prospect of tax cuts. The markets have now made it clear to him that he has dared too much.

It is appropriate that we should now renew our quest for honest money. Unless we have financial stability and money in which people can be confident, our economy will be on shifting sands and less able to generate jobs than it otherwise could be. I suspect that my right hon. Friend the Chancellor of the Exchequer would not disagree with me about any of that.

I agree with my right hon. Friend that if we are to have more jobs we must have lower taxes. High taxation drains the lifeblood from the private sector, which is the source of the wealth of our economy and of our capacity to employ people. I am glad, however, that recently my right hon. Friend has displayed caution about the prospects of tax cuts being deliverable in the spring. I have been worried that tax cuts should be held out as a prospect, not on the basis of securely limited public expenditure, but on the basis of oil revenues at a peak and asset sales, similarly at a peak. We would be left with a structural PSBR too high to be consistent with the requirements of low interest rates, stable sterling and low inflation.

The problem has been that the public sector has been recalcitrant to reform. The Chancellor's strategy has therefore been to hold public expenditure steady in real terms and to allow the growth in the economy to express itself in the private sector. I doubt whether that strategy is politically achievable. Pressures for higher public expenditure surround us at every point on the battle front. I do not believe that our economy is as stably based as the Chancellor posits. A choice must therefore be made. Either we move with great national reluctance down the path to Socialism, along which the Labour party beckons us, or we move towards a Conservative society based on greater freedom and responsibility.

I had hoped that my right hon. Friend would invite the country to debate the role of the state and respective commitments of the public and the private sectors. I had hoped that the debate would be led by the Conservative party in its manifesto at the general election and that it would be developed in the Green Paper on the next 10 years, but that was a disappointing document. It is not too late—indeed, it is more critical than ever—to develop such a debate.

I am in favour, not of sudden or draconian action, but of gradualism. The debate should be conducted in calm, humane and reasoned tones. I do not underestimate the opposition that there would be from vested interests, entrenched orthodoxies, the faint hearted and the factious, but I believe that the debate is necessary.

Notwithstanding my reservations about the difficulties and the unsatisfactory condition that we face in public expenditure, if it is judged responsibly that we have scope for tax cuts this spring, I hope that my right hon. Friend will look for the most employment-effective tax cuts. I shall suggest two.

Many hon. Members have referred to the opportunities that might be found in the reform of the national insurance system. If the threshold for the employers national insurance contribution is raised to £6,000, it will become 10 per cent. cheaper to employ 40 per cent. of British workers. That would make a significant difference. I do not believe that we shall have lower pay settlements as a result of rather bleak rhetoric and exhortation, but if we make it cheaper to employ people, more people will be employed.

Secondly, it is worth mentioning a further valuable opportunity. VAT is levied on firms with an annual turnover of more than £18,700. In 1983-84, 93·3 per cent. of net VAT payments were made by the 24 per cent. of VAT registered businesses with taxable turnovers in excess of £100,000. The benefit to the Exchequer, after the cost of collecting VAT on three quarters of businesses, is therefore very small. At the same time, the administrative burden of completing VAT returns is a drain on small businesses, which should be the main source of new jobs. To raise the VAT threshold for businesses to a turnover of at least £100,000 is, therefore, attactive and should be given high priority.

Thirdly, I hope that the Government will do more to call off the bureaucratic harassment of businesses. It is disproportionately hampering to small businesses, the principal asset of which is the energy of the boss. Yet in this country someone running a small business must put up with a barrage of statutes, statutory orders, European

Community regulations, local government regulations and the ministrations of, at the last count, 2,167 quangos. No wonder the contribution to employment by small businesses is less than it might be. I hope that the Government will be willing to consider taking discretionary powers to exempt small businesses from a range of bureaucratic requirements.

I shall not enlarge on the scope that exists for reforming the labour market, which is the fourth area in which our strategy needs to be energetically developed, other than to observe that trade unions, by forcing pay above what the market will bear, and by resisting technological change, are still destroying job opportunities. We must find a fairer balance between employers and unions. Similarly, wages councils are asking for more than the market can bear. That hurts the employment of the young and the unskilled especially.

The Government have no magic wand to wave, but, by pursuing a vigorous and coherent approach in these four areas, they can hasten the structural reform of the economy and bring closer the moment when there will again be enough jobs to go round.

9.3 pm

Mr. John Prescott (Kingston upon Hull, East): I wish that the hon. Member for Stratford-on-Avon (Mr. Howarth), who has 3,000 unemployed people in his constituency, would visit my area and explain to the 20,000 unemployed there—unemployment has increased by three times since the Government came to office—those sorts of solutions. It is no surprise that the Secretary of State for Employment allowed some of his time to the hon. Gentleman, because he is one of the few hon. Members to support the Government's policy on unemployment.

The debate is about the increase in mass unemployment in the United Kingdom after five years of Tory policies, three of which the Government claim to be years of recovery. It is also about the Government's priority for reducing unemployment. Since 1979, we have witnessed the trebling of unemployment, despite the Government's efforts to massage the figures downwards by recording only those who claim unemployment benefit and those not on Government schemes. The reality is that almost 4 million people are unemployed, which cruelly exposes the Tory election poster, showing queues of unemployed people, which said, "Labour isn't working." That Labour Government could at least claim that they left office, despite an increased working population of 900,000, with 310,000 more people in work than when they came to office in 1974, although I admit that they were extremely dissatisfied with unemployment at 1·2 million. If we enjoyed unemployment of 1·2 million today, that would have been welcomed by most speakers in this debate and by most people outside the House, with the exception of the Government's spokesmen, as was revealed in the deplorable speech of the Chancellor of the Exchequer at the beginning of the debate.

There is clear evidence that since 1979 the Government have contributed directly to increasing by 2·5 million the number of unemployed through their obsession with the public sector borrowing requirement and cutting public capital expenditure, which they believe will secure lower inflation. For every 1 per cent. reduction in inflation since 1979, the Government have contributed to throwing half a million people on the dole in order to create what they call an honest money policy. That honest money policy has been cruelly exposed on the currency exchange market during the past few days.

Mass unemployment was the expected result of such a policy. Indeed, I would argue that it was the Government's intention to create unemployment on that scale as an instrument of policy to achieve lower inflation. Most people predicted that it would happen if they pursued those policies. The policies are being pursued in the name of outdated theories, and are financed solely by the squandering of a massive amount of oil wealth which, a few years ago, everyone believed would be a blessing, but which is now talked of, at least in this debate, as though it were the curse of the British economy. It is clear that oil revenue has financed the experiments with our economy, of which the main cost has been 4 million unemployed.

Today we stand witness to the abject failure of Government policy to increase sufficiently production, demand and investment, which are essential prerequisites for the reduction of unemployment. Earlier today the Chancellor quoted from the OECD report—I hope that he will be able to join us before the debate ends—but he did not quote the essential part of the report that deals with the amount of investment that has been made in Britain. The reality is that the investment per head in the United Kingdom compared to the rest of the OECD countries is worse than that in 18 other countries, and only Portugal and Greece come after us. That is one reason why we have a worse level of unemployment than that experienced by other OECD countries which have also suffered from the world depression.

We have been told today that the Government do not have a bottomless purse of public expenditure to solve this crisis by spending our way out of it. That point has also been made by Labour Members. However, the debate today has been about the availability of resources under this Government. The argument as to whether we are prepared to spend millions or billions to reduce unemployment is not the issue of the debate. As various hon. Members have pointed out, the issue concerns the amount of resources that the Government acknowledged in their autumn statement to be available for either tax cuts or for reducing unemployment.

The essence of the dispute in this debate has been whether the £1·5 billion should be used for public expenditure or given in tax cuts. We know that unemployment can be reduced by either of those courses. The dispute is about whether we can reduce unemployment more by using public expenditure or by cutting taxes. We wish to make it unequivocally clear that any available resources should be used to increase public capital expenditure because that reduces the level of unemployment far more and at a faster rate than by simply giving the money out in tax cuts.

All this is apart from the morality of the argument of whether we should give more money to people who are better off rather than use it to help those who are worse off, those suffering because of the increased level of unemployment. There is also the increased number of those who have been unemployed for over a year, with more than 1 million in that category.

It was interesting to listen to hon. Members and to see how the level of unemployment in their constituencies was reflected in what they said. I am not saying that those hon. Members with low unemployment in their areas had no

[Mr. John Prescott]

concern for high unemployment and its attendant problems, but there is a remarkable correlation between a low level of unemployment and the hon. Members who have spoken in favour of the Government's policies. The constituency of the hon. Member for Stratford-upon-Avon has an unemployment level of about 3,500. The hon. Member for Slough (Mr. Watts) represents an area with a similar level of unemployment, and he said that he did not want the Government to deviate from their policies. The Secretary of State for Employment and the Chancellor of the Exchequer have similar rates of unemployment in their constituencies.

However, in my constituency unemployment is 8,000, and my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) has about 10,000 unemployed. In Slough, Stratford-on-Avon, Blaby and Bridgwater over 30 per cent. of the unemployed have been without a job for more than a year. In the Labour constituencies that I have mentioned, over 52 per cent. have been unemployed for more than a year. My hon. Friend the Member for Knowsley, North (Mr. Kilroy-Silk) has 50 per cent. unemployment in some parts of his constituency, with 60 per cent. of the children on free school meals.

The social consequencies of long-term high unemployment have been vividly illustrated in the debate. I calculated the total levels of unemployment in the areas represented by the Labour Shadow Cabinet and those represented by Ministers in the Cabinet. The same relationship is evident. There are twice as many unemployed in the constituencies represented in the Shadow Cabinet as in those represented in the Cabinet. I believe that that has an effect on the Government's attitude in determining their priorities as between tax cuts and public expenditure.

In reading to prepare for the debate, I was strongly impressed by the booklet by the "Weekend World" television programme in which the interview with the Chancellor was reported. The Chancellor said:

"Thinking that Government can determine the level of employment—that is totally false".

I do not think that any hon. Member has doubted today that the Government can use their resources to increase employment and reduce unemployment. It is a question of whether they have the will and the desire to do so. I think that the Chancellor is completely wrong in adopting the position he has. The Government can influence the level of employment to a considerable degree.

The Chancellor was heard to make disparaging remarks about the computer models by which one can make certain comparisons. He made great play of the Labour party's policy before the election and the effect of devaluation on some of the policies that were drawn from such computer models. If we do not use objective criteria and attempt to evaluate what the models tell us, we shall fly by the seat of our pants, and the Chancellor has not been doing very well this week in making just such judgments. All the information contained in these models and, indeed, in the Treasury's own model, with which we must work quite considerably, shows that from twice to five times the number of jobs can be created by public expenditure programmes rather than by tax cuts. It is a matter for the judgment of hon. Members and particularly of the Government who have the power to decide which course of action they are prepared to take.

Listening to the debate one would think that we were entirely at the mercy of market forces and that it was not Government policy that had created unemployment in the country. Many Conservative Members have regularly and consistently voted for policies which have deliberately increased unemployment, partly in the belief, as the Chancellor said tonight, that the public sector industries are over-manned. Whether that is true or not, one of the consequences of tightening the financial targets and borrowing of those industries is to shake people out. That has taken place on a considerable scale, and Government claim credit for it.

The Government say to the rail industry—and this is what I find most offensive—"Yes, you can have your electrification programme". They do not give the industry more money to improve services or to extend electrification. They simply say, "Throw more people on the dole and that is the way you'll pay for the investment." That is what British Rail is now doing, and the state then picks up the tab for more people on the dole. They do not thereby boost demand but, rather, increase the burden on the Government and on public expenditure in supporting those policies. When one considers what the Government have done in roads, hospitals, education and the water boards—and much of this has been said in the debate—even if the level of public expenditure can be shown to be the same in the capital areas as in 1979, frankly, it is not enough. That is not the benchmark. Unemployment then was at the level of 1 million. Unemployment now is approaching 4 million and is likely to continue to increase. In those circumstances, one has to make a proper assessment of public expenditure.

I advise anybody who has any doubt about the deterioration in the country's infrastructure not necessarily to read the TUC report or to rely on the CBI report, but to read the Neddy report which only this week described the state of the infrastructure—the deterioration in the roads, the costs involved, the running down of the water and sewerage systems, all of which involve national public sector investment to a considerable extent. There is a whole range of choices which can be taken into account in these public expenditure options.

As to voting for tighter financial targets and reducing by £300 million the amount invested in regional policy, we have seen that regional expenditure has created jobs under both Tory and Labour Governments. It might not have produced enough and might have produced them more expensively than others, but there is no doubt that it created extra jobs. But we spent less in real terms on regional policy in 1984 than we spent in 1964, when unemployment stood at 500,000.

Mr. Maples: If public sector capital investment is such a good thing, why did the last Labour Government cut it by 40 per cent. in real terms?

Mr. Prescott: I have to admit that the figures are clear. I do not know about the precise quality of that public expenditure, or whether the figure was 40 per cent., but there were cuts in public expenditure. As a result, there was an increase in unemployment. I shall not run away from the point—how can I? The figures on public expenditure are there for all to see. But the hon.

Gentleman will have to accept that public expenditure influences unemployment and that the Government have the choice of using the £1·5 billion that they say is available in that way.

The hon. Gentleman served with me in Committee on the London Regional Transport Bill. He should have realised that supporting that Bill would lead to more unemployment, fewer buses on order, and so on. But all that is now clear. The Bill was enacted simply to save £500 million of public expenditure, and as a result thousands more will be thrown out of work. I just ask the hon. Gentleman to question what he was doing in Committee. The answer is that he was voting for unemployment.

The point about public expenditure on a national level is equally true of public expenditure at the local authority level. We have already heard a lot about housing, roads and so on. Public expenditure is involved in all of those areas, yet the Government have sought, by financial controls, to reduce the amounts of money available to authorities. One particularly offensive effect of the restraints on local authorities is that the local authority enterprise and employment units that have been creating jobs at £3,000 a time have been cut at a time when the Government's enterprise zones produce a job for about £80,000 a time.

Therefore, the Government and their Back Benchers have been voting for constraints on local authorities despite the fact that those authorities can legitimately point to the number of jobs that they have created. Thus, the effects of public expenditure at the local and national level, and on both the public and private sectors, are clear. After all, we have all received letters from the private sector calling for expenditure in the public sector because, in the main, all the orders involved are private orders. Both sectors produce wealth and jobs. The money comes from the Government via the taxpayer.

The House is asked to make a choice in the order of its priorities as between public expenditure and tax cuts. I would be more convinced of the Governments' policies if they believed that we must get out of what some call the old smokestack industries and into the sunrise industries. Last night, a television programme showed miners in Scotland talking in silicon glen. They could not see any prospect of jobs, even if they left the mines. Why? The answer is that the Prime Minister's adviser, Professor Ashman, has produced a report for NEDC that talks about the crisis in our information technology industries. He says that the sun has set on the sunrise industries. Indeed, the Chancellor is reported as saying, "Please don't use such purple prose in my presence." Last night on television he was quoted as saying that, but I do not know whether it is correct.

The Government have put £200 million into information technology and have now ordered a moritorium on investment in it. The Germans have put £800 million into information technology—four times as much. The Government believe in their privatisation programme, but it is a pity that the money that they secured from selling British Telecom—about £4 billion — was not invested in the information technology industries to provide a way forward for the new type of industry needed in this country. I wish that the Government had given to the information technology industries the almost £400 million they gave the bankers to float off the deal instead of paying their friends in the City to privatise an important and essential industry. If the Government had done that, their privatisation programme would have made more sense than feeding public borrowing to support the high level of expenditure needed to maintain massive levels of unemployment.

The Chancellor will go to the United States this week to convince the Government of his policies—I hope that he does better than he did today—and will come back telling us about the importance of the service industries. Britain has increased the number of jobs in the service industries. The problem is that she has allowed her manufacturing industries to collapse, whereas such industries have increased in America, even though they may have been assisted by deficit financing, as the right hon. Member for Old Bexley and Sidcup (Mr. Heath) pointed out. That policy has led to greater growth and lower unemployment in America, but apparently the Chancellor considers that approach to be voodoo economics.

The Secretary of State for Employment makes great efforts to increase training. He claims that the expenditure of £2 billion is a fourfold increase; and so it is. It is, however, a threefold increase on the amount we spend on the dole, but we do not claim that as a success. More youngsters cannot obtain jobs. We massage the unemployment figures, and we must pay for that action. The Neddy report shows how much our major competitors in Germany, France and the United States spend on their labour forces which are already twice as well qualified as Britain's labour force.

Training is desperately needed for the new types of industry in Britain at a time when, according to a CBI survey, every industry is screaming for more resources and skill training. I am a little contemptuous when I hear the CBI say that, because it led the campaign to reduce the number of training boards so that it did not need to pay the levy. The Secretary of State for Employment complains that employers do not pay enough towards training. We knew that in the 1960s, and training boards were set up to make employers face up to their responsibilities.

The Government are even wrong in their attitude to training our labour force. They claim that they are spending £2 billion, but that is not enough. If resources from the £1·5 billion are to be available, much more money could be put into training. That could be done by extending the youth training scheme to provide more quality training for at least two years, as is done by most of our competitors. No doubt some of those ideas are being considered by the Government.

Britain's performance in training has always been poor compared with that of its competitors. The Government are the only body able to change that position, because our industries have refused consistently to do anything about the quality of training. One or two firms may throw in training schemes, but the fact is that there are now half the number of engineering apprentices that there were many years ago.

The Government have abolished the boards that imposed the training levy and have closed the skillcentres. We are desperately short of skills, training places and instructors, and there are plenty of people on the dole who want training. At the Government's behest, the Manpower Services Commission, to meet the obligation to break even financially by 1986, is closing 29 of our skillcentres. Five of those centres are profitable. I never thought that profitable training centres would be closed under a Tory Government. Some of those centres specialise in

[Mr. Prescott]

technology and some in youth training. Some of them are concentrated in the coal mining areas. The skillcentres say to the miners, "Readjust to the new economy. Come out of the uneconomic areas." The training centres, which are supposed to retrain people for the new industries, are being closed down by Government agencies.

We have been reminded of the information on social trends that has been produced this week. It is clear that there is a direct connection between sickness, drinking, smoking and suicides, which have increased at a phenomenal rate, and unemployment. The facts are there to see. Those are the social consequences of mass unemployment. Those consequences are not paid for by Conservative Members. They are paid for largely by the people in areas of high unemployment.

That is the real cost of five years of Tory policies. I am glad to hear talk of some Tory Members deciding to revolt, though I do not expect to see them in the Lobby revolting tonight. I am reminded that following the 1979 general election the Prime Minister, on reaching 10 Downing street—in her "spitting image" voice, reminding one of being invited into the parlour by the spider—quoted St. Francis of Assisi. Her quip was carried in the *Daily Telegraph* of 5 May:

"Where there is despair may we bring hope."

Today there is little hope for the unemployed, little hope for the sick and the needy, and little hope for those in the wages council industries; and some are suggesting that the councils should be abolished as a means of solving our problems.

Because they are worried about their policies, the Government have made a policy change. They have brought in Lord Young. I am not sure who is now dealing with the problems of and policies affecting unemployment, the Secretary of State for Employment or Lord Young. At present, Lord Young is making most of the announcements. It is clear that he has the prestige spot; he is to appear on the Jimmy Young show on 30 January. Will the right hon. Gentleman have that distinction?

The Secretary of State must agree that Lord Young was the first to advocate that the way to get more youngsters into training schemes, even if they did not want to join them, was to conscript them, suggesting that if they still refuse to join they should have their benefits suspended. That was Lord Young's first idea. His second idea, it seems, is the abolition of wages councils. We are talking about the sort of bodies that are concerned with industrial wages of £50, £64 and so on. I do not know whether the Secretary of State intends to abolish the wages councils, and perhaps he will say tonight whether he intends to notify the ILO of his decision to abolish them.

In any event, why did the right hon. Gentleman not abolish the agricultural wages council? He had an opportunity only last year to do something about that. Is the farming lobby so influential in the Tory party that he does not want to do anything about that council? Or is he concerned only with industrial workers? I am not advocating a reduction in the agricultural council wage; it is little enough that the workers get now. Nevertheless, we should be told why there is a difference in approach—that is, if the Government are proposing to abolish wages councils.

I hear that the farmers have made a 20 per cent. profit this year. I hope that that will be borne in mind when they talk about what their workers are paid. I wish there was as much pressure from Tory Members for giving agricultural workers a decent wage as there is backing for the subsidies given in support of that industry.

Our salvation now appears to rest on small firms. Tonight we have heard how we must get the small firms going again. Are not Tory Members aware that there have been record numbers of bankruptcies, among small and big firms, since the Conservatives took office?

We hear talk of a survey by Lord Young. What is he really doing? I have the documents with me and I gather that he is considering, as a solution to our problems, scrapping the conditions placed on small industries for unfair dismissal, redundancy pay, aspects of race relations, equal opportunities, truck Acts, working environment, maternity leave — *[Interruption.]* Some Conservative Members may think that such action is jolly good for many ordinary folk, but it is no good for those who work in low-wage industries. That is especially true of industries in which health and safety authorities have warned the Secretary of State that the greatest threat to safety arises in small industries.

After three years of legislation attacking the trade unions, the Government are turning for a solution not to a change in policy but to an attack on the statutory rights and conditions of workers. Parliament gave them those rights and conditions because they were not strong enough as groups of workers to secure them by ordinary trade union negotiations.

After the 1979 election the newspapers told us that the Prime Minister had quoted St. Francis of Assisi:

"Where there is discord may we bring harmony."

Considering her record in government, she should have quoted the part from the prayer that she must deliberately have omitted:

"Lord make me an instrument of thy peace."

The iron lady, who is more concerned with resolution than charity, has no concern for the problems that we face. She is leading us to a society more divided between the north and the south, the rich and the poor. That is the result of the Government's policies.

The motion gives a clear opportunity to the House to vote for public expenditure on capital programmes that everyone outside the Government says will increase employment. To increase employment is the major priority. There must be a clear signal from the House. If it backs Tory policy, it will be saying apparently that the rich are not rich enough and the poor are not poor enough. If the Government continue with this policy, there will be social discord of a kind not seen since the 1930s.

9.35 pm

The Secretary of State for Employment (Mr. Tom King): The debate has dealt particularly with investment and infrastructure. It has generally been well attended apart from a period in the middle when the Chamber was rather empty. I have considerable sympathy for the hon. Member for Colne Valley (Mr. Wainwright), who suggested that one aspect of infrastructure on which there might be greater investment was the House of Commons heating system. The hon. Member for Kingston upon Hull, East (Mr. Prescott), in his closing speech for the Opposition, made a contribution to try to improve the position; it generated more heat than light on the motion before us.

The motion that the Opposition have chosen to put before the House today condemns what they call

"the Government's wilful refusal to implement policies which would result in a reduction in unemployment".

That is a serious charge to level against the Government. It might have carried greater credibility if it had been moved more convincingly by the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who chose to be at his most bombastic and at times abusive to the Chancellor. He delights in a choice of adjectives to describe his opponents. Perhaps the most appropriate adjectives to describe his speech would be flatulent and fraudulent. If we may once again with some pleasure use a cricketing metaphor in regard to the right hon. Gentleman, every question he was asked removed his middle stump; and he showed total incapacity to answer the questions that were put to him.

In his opening remarks the right hon. Gentleman sought to suggest that the debate should be conducted with a high standard of honesty. He went on to allege that my right hon. Friend had suggested that £3 billion of funds and resources were available and then had failed to substantiate that; he suggested it might have been said by his agents.

The motion accuses us of wilful refusal. It is a motion that any opposition could propose in any assembly building in Europe at present. My hon. Friend the Member for Mid-Norfolk (Mr. Ryder), in a well-informed and researched tour of the Socialist leaders of Europe, showed how totally fraudulent was the allegation made by the Opposition. My hon. Friend was able to point to the speech of Mr. Fabius, the Prime Minister in President Mitterrand's cabinet, to the Prime Minister in Spain, to Mr. Craxi and to the difficulties they all face equally in tackling the intractable problem of unemployment.

At the end of his speech, the right hon. Gentleman's case seemed to be based on his policies for investment, taking the infrastructure route, which would create some 36,000 more jobs over a two-year period than my right hon. Friend the Chancellor alleged would be created by the approach of reductions in taxation. That did not seem to me to be a comprehensive approach to what is undoubtedly a major problem, with the appalling levels of unemployment, including long-term unemployment, that we face.

Of course, the debate has been overshadowed by the recent position of sterling, and I believe that the House will accept that that is a clear warning of the limitations in our freedom of manoeuvre in tackling the problem.

My right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) described the situation in the north-east which, with parts of the south-west and Ayrshire, in particular in Scotland, faces some of the most appalling problems in unemployment. I would not seek to argue with him in his use of adjectives to describe the appalling nature of the problem. However, the hon. Member for Kingston upon Hull, East did not need to embroider his case by seeking to distinguish between unemployment in constituencies of members of the Cabinet and of the Shadow Cabinet. I have said at the Dispatch Box more times than I care to remember that every Member of the House accepts that the present levels of unemployment are far too high and that unemployment is a major problem.

In approaching the debate and comments made by right hon. and hon. Members, I should like to start not in a divisive sense, but on what I hope is common ground on which we stand. I hope that it is common ground that we must achieve the lowest level of inflation, and that for our industry to be competitive we must have low inflation. I hope that it is common ground that we must see a continuing improvement in productivity and performance in our industry. I hope that it is common ground that we must see increasing investment. I hope that, in spite of some of the remarks by the hon. Member for Kingston upon Hull, East, we have common support for the need to increase the content and quality of training.

I hope that it is common ground that we support the need for substantial investment in infrastructure. I hope that it is common ground that we face genuine problems with the power of the dollar. My right hon. Friend the Member for Old Bexley and Sidcup and the right hon. Member for Plymouth, Devonport (Dr. Owen) commented on the challenge faced by my right hon. Friend the Chancellor in his journey to Washington tomorrow. The House will recognise the vital need for recognition in the United States of the problems posed by its deficit, and I am sure that hon. Members will wish my right hon. Friend god speed in his important mission.

I hope that it is common ground that we cannot isolate ourselves and oil prices in the North sea from world markets. I say to the right hon. Member for Devonport that I agree with the right hon. Member for South Down (Mr. Powell). His suggestion that somehow we would connive with OPEC at an artificial sustaining of a higher oil price was not realistic, and could not be sustained.

This is where the arguments will now lie. I hope that there is common ground that there is ultimately a limit to the level of public expenditure beyond which the Government cannot go without a risk of increasing inflation and even higher interest rates which would be counterproductive in the loss of employment that they would cause. We must ask ourselves what is a reasonable level. That is a Government judgment. The right hon. Member for Sparkbrook carefully went no further than the figure that my right hon. Friend the Chancellor gave in his autumn statement. When considering public expenditure, the creation of employment and the alleviation of unemployment, we must start from the soundest possible base. In the light of the problems of the past 48 hours, it is easy for people to get a misleading impression of the basic strength of the economy.

I was impressed by the adviser to the Senate Finance Committee, who was interviewed on the "Today" programme this morning. He said that there is a feeling in Washington that the fundamentals in Britain are strong and that Britain is basically on a stable path. When asked whether the pound would continue to weaken against the dollar, although he made it clear that his answer was speculative, he said that, although the pound might weaken slightly, there was every reason for it to strengthen.

It is important to be aware of the background. If Opposition Members are worried about unemployment, they must accept that we must have a strong economic base. We have achieved lower inflation. It is now 4·9 per cent., though it must be lower still. That level is still a great improvement. There has also been an improvement in productivity, which is now three times its level between 1974 and 1979. In the past three years, it has been twice that of France and Germany. In 1983 we had the highest growth in the European Community. Although that has been depressed by the miners' strike, the latest forecast is that, in 1985, we shall again lead Europe. The

[Mr. Tom King]

combination of growth and low inflation gives us the best prospects since the 1960s. We have good retail demand and the prospect of high fixed investment, which increased by 8 per cent. last year and is forecast to reach the highest ever level next year.

We have good export volumes. I am sure that right hon. and hon. Members who have suggested that manufacturing exports are dead on their feet will take great pleasure at the 14·5 per cent. increase in manufacturing exports. We now have industries' best profit performance since the 1960s and the longest period of sustained growth since the war. The right hon. Member for Sparkbrook suggested that what I have described is a picture of a weak economy. That opinion does not carry much credibility with anyone who studies the figures.

Against the background of a sound base, we face the problem of unemployment. There must be an improvement in inflation. We must recognise the problems caused by continuing excessively high increases in earnings. We must face problems arising out of the miners' dispute. It is interesting that when Mr. Jimmy Reid lectured the Leader of the Opposition on the Labour party having no alternative but to stand up and fight Scargillism, the right hon. Member for Islwyn (Mr. Kinnock), once again, walked away from the problem and his responsibilities.

We have halted the haemorrhage in the loss of jobs and started to create more jobs. The latest figures show the highest level of vacancies for the past four years. The largest private agency has forecast the best recruitment prospects for five years. There is an improvement in job prospects.

We face a major problem with the increase in the working population and the long-term unemployed, and the biggest industrial and economic upheaval since the industrial revolution. It is against that background that we must determine the best way to face change and bring hope to our people. It makes demands on us all — Government, individuals, and unions. It is the duty of the Government and Opposition parties to tell people the truth and not to perpetrate on them the fraud that there is some easy solution.

"Our country is engaged in a critical process of economic and social modernisation . . . the . . . people are sufficiently mature to understand that any action leading to recovery requires time and continuity. When one is a Prime Minister or a Minister of whatever political persuasion, there are economic realities and national interests which transcend the political divide."

Those are not my words or those of my right hon. Friend the Chancellor of the Exchequer. They are the words of a Socialist Prime Minister of France telling the truth to the British people and talking more directly than any Socialist Member of the House has been prepared to do.

In the present circumstances, the Government have a duty to make the possibilities clear to the people and to help in any way that they can. It is not, as the House has argued today, whether we are for or against infrastructure. My right hon. Friend the Chancellor of the Exchequer made it clear that in the coming year we will have the highest level of fixed investment. There will be some £24 billion of capital expenditure and a further £5 billion of vital maintenance and renewal expenditure. Substantial investment will be made in housing, roads, railways and sewerage. The argument is whether there should be more and whether it is the most cost-effective way to ensure more jobs.

The biggest single extra investment that the Government have made in addition to the more conventional investment is in my Department's programmes. The Government, as the hon. Member for Kingston upon Hull, East mentioned fairly, has quadrupled investment in training, helping people obtain jobs and tackling the skill shortages that exist, where training has a vital role.

Mr. Campbell-Savours: In so far as the community programme is a cheap way of reducing unemployment, can the Secretary of State show some flexibility on numbers and show the way for movement there?

Mr. King: The hon. Member will be aware that at the time of the autumn statement I announced new measures to improve the quality of the community programme to ensure that next year the long-term unemployed would also have the opportunity to train on that programme to help them into work.

There is no question of this Government sitting back and arguing their case from a doctrinaire standpoint.

I have dealt with the suggestion that we are not investing in the infrastructure. On the programme to help the long-term unemployed by increasing self-employment, I announced recently a further expansion of the enterprise allowance scheme. I have made it clear that we are prepared to examine every approach which may help to improve employment. My hon. Friends the Members for Stratford-on-Avon (Mr. Howarth) and for Lewisham, West (Mr. Maples) referred to the contribution which could be made by an adjustment of national insurance contributions. This is a matter to which I have previously referred. I have also referred to deregulation, as has my hon. Friend the Member for Stirling (Mr. Forsyth).

We are anxious to ensure that everything which can be done to help people to obtain jobs is done. We are particularly anxious to help young people to gain employment. We are determined to do what we can to create better opportunities for more people to set up their own businesses. We want to examine how we can further develop the enterprise allowance scheme, which has been such a success. We are determined that every opportunity for employment in all its aspects should be given. We shall examine the ways in which we can help those in our society who are most in need. This requires a contribution from us all. I hope to have the support of every hon. Member and also a substantial contribution from trade unions and employers in order to improve, by training, the skills of the people of this country. There are skill shortages, particularly in new technology.

I have been able to demonstrate the enormously improved profitability of British industry. Because of the problems we face, and because of the contribution that the Government will make, I hope that British industry will be prepared to contribute to the training that is necessary in order to ensure that existing opportunities are taken. Although the volatility of the exchange rate causes certain difficulties, it provides an exceptional opportunity for British industry to maximise its exports and increase the job prospects of the people of this country. I hope that every employer will grasp the opportunities that are provided by the exchange rate. I hope that the unions will recognise the contribution that they can make to the improvement of the productivity of British industry and that they will ensure that we achieve maximum competitiveness.

We debated this subject on an earlier occasion, and I was able to announce a number of measures that the Government had taken to improve the prospects for the long-term unemployed. I said that I did not want people to be under the illusion that this was the end of our approach to the deep-seated problem of unemployment. It is the most difficult and serious problem that faces the Government. On that occasion I made a number of announcements. I said to my right hon. and hon. Friends, and I confirm it tonight, that further work is proceeding on a number of other approaches to the unemployment problem.

To those who seek to criticise us, facing the most difficult and modern scourge of unemployment, I give the assurance that we shall not rest until we see a real improvement for the British people.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 182, Noes 383.

Division No. 64] **[10.00 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Anderson, Donald
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilfedder, James A.
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David

Tellers for the Ayes:
Mr. James Hamilton and
Mr. Austin Mitchell.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Alton, David
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cartwright, John
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian

Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hancock, Mr. Michael
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Heyward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hooson, Tom
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Howells, Geraint
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Maclennan, Robert
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meadowcroft, Michael
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Molyneaux, Rt Hon James
Monro, Sir Hector
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Owen, Rt Hon Dr David
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Penhaligon, David
Percival, Rt Hon Sir Ian
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Ross, Stephen *(Isle of Wight)*
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wainwright, R.
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Wallace, James
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Wrigglesworth, Ian
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Ian Lang.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments)*:—

The House divided: Ayes 353, Noes 200.

Division No. 65] **[10.15 pm**

AYES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hooson, Tom
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Moate, Roger
Molyneaux, Rt Hon James
Monro, Sir Hector
Moore, John
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Percival, Rt Hon Sir Ian
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E. *(S Down)*
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*

Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Ian Lang.

NOES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilfedder, James A.
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Wrigglesworth, Ian

Tellers for the Noes:
Mr. James Hamilton and
Mr. Austin Mitchell.

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House rejects the Opposition's doctrinaire commitment to higher Government spending and endorses the Government's determination to pursue responsible fiscal and monetary policies, which, along with its policies to improve the efficient working of the economy, provide the only secure basis for ensuring continuing low inflation, steady growth and rising employment.

Consumer Protection

10.30 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Alex Fletcher): I beg to move,

That the draft Food Imitations (Safety) Regulations 1985, which were laid before this House on 11th December, be approved.

Mr. Speaker: I have not selected the amendment.

Mr. Fletcher: The proposed regulations replace and extend the Scented Erasers (Safety) Order 1984, made on 30 January 1984. They revise the size criteria, introduce severance test procedures, cover appearance and taste resemblance, in addition to scent, and extend to certain other products.

Mr. Eric Forth (Mid-Worcestershire): Why?

Mr. Fletcher: I hope to explain what we are doing to my sedentary questioner.

But I am pleased to see from the terms of the amendment tabled by my hon. Friend the Member for Southend, East (Mr. Taylor) that he takes as his starting point the existence of a safety problem for which a solution must be found. I know that he will appreciate that the House cannot make drafting amendments to the regulations tonight. The regulations must either be approved or not. But I shall endeavour to show my hon. Friend that the solution to the problem with which he is concerned lies in the draft regulations. As I know of my hon. Friend's keen interest in EEC matters, I assure him that the regulations are not in any way inspired by the European Commission.

The definition of "safe" contained in section 9 of the Consumer Safety Act 1978 is

"such as to prevent or adequately to reduce any risk of personal injury".

That is what we must keep in mind when considering the need for regulations made under the Act.

After careful consideration we reached the view that there is a need to remove from supply certain products which, by that definition, cannot be considered safe particularly for young children, because by wilfully and unnecessarily imitating food, they increase the risk of choking presented by all small objects.

Mr. Forth: Will my hon. Friend explain why he is not banning other items that can be equally, or more dangerous to children's health? That would help the House enormously.

Mr. Teddy Taylor (Southend, East): Marbles.

Mr. Fletcher: As I shall point out, the problem is that of course there are many objects that small children, especially those under the age of three, swallow or push up their noses. Indeed, my statistics show a greater incidence of the latter than the former in this instance. The danger is bad enough with ordinary products, but I propose that the House should continue to refuse to accept the products that wilfully and unnecessarily look like and smell like food. The resemblance has nothing to do with their purpose, and that is the danger. Some of the products actually encourage children to put them in their mouths. Again, that is the danger, and that is what the regulations are concerned with.

Mr. Teddy Taylor: If these food imitations are so dangerous to children that they could choke and die, why is my hon. Friend the Minister going to allow them to be sold if they are in dolls' houses? Why is he allowing them to be sold for export? If they are killer rubbers, is it not shameful that he should wilfully allow them to be manufactured in Britain and sent to Ethiopia?

Mr. Fletcher: I shall take my hon. Friend seriously on this point. Most of the goods under debate are imports. Indeed, the majority of them are imported from far eastern countries. Most countries in Europe and elsewhere already have similar regulations to those that I propose tonight.

I stress that these regulations need cause no concern to suppliers of toys, novelty and stationery items if the goods they market do not imitate food. One is bound to ask why should such goods look, taste or smell like food? What is the point of making a pencil sharpener look like a strawberry or a rubber shaped like a typewriter smell like bananas? Any ordinary adult finding such items in the shops will react with surprise, but if he or she is the parent of small children that surprise is likely to turn into concern and annoyance, because parents are well aware of the habit of all small children of putting things in their mouths. Parents have every right to be concerned when small objects appear in the shops that positively invite children to pop them into their mouths.

Of course, consumers constantly demand novelty, and suppliers rightly exercise ingenuity in responding to that demand, but suppliers must be responsible. The unfortunate fact is that some suppliers are not thoughtful or careful enough for the public to be protected without regulations of this kind. For that reason, responsible manufacturers and traders look to Parliament for guidance on particular aspects of safety. In most cases, my Department or the trading standards officers approach suppliers and ask them to take goods that they consider dangerous off the market, and the suppliers co-operate. Only exceptionally do the actions of suppliers of such products require an order of this kind to persuade them not to maintain dangerous goods on the market.

Mr. Richard Hickmet (Glanford and Scunthorpe): What is the evidence that the product which the regulations seek to ban causes the damage my hon. Friend suggests? What will happen to those people who had substantial quantities of this product in stock at the time my hon. Friend introduced these regulations 12 months ago and still have the product in stock?

Mr. Fletcher: If my hon. Friend will allow me, I shall come soon to the question of evidence. Those traders who have found themselves with stocks of goods that they cannot dispose of—I regret that fact as much as any hon. Member—had 18 months of warning of the views of the Government and local authorities on the safety of these products.

Mr. Teddy Taylor: That is not true.

Mr. Fletcher: My hon. Friend must not say that that is not true. That point was established by a Standing Committee, and in July of this year an attempt was made in a judicial review to challenge the Government's actions. I am sure that my hon. Friend will wish to know that the judge found in all the challenges made, including the challenge about consultation, that my right hon. Friend the Secretary of State had acted correctly. I do not like, even from a sedentary position, the suggestion by my hon. Friend the Member for Southend, East (Mr. Taylor) that I am trying to mislead the House.

Sir Bernard Braine (Castle Point) *rose*——

Mr. Fletcher: If my right hon. Friend will forgive me, I should like to reply to the point made by my hon. Friend the Member for Southend, East. Ample warning was given. There was ample opportunity for traders to heed the views of the Government and local authorities that these products were dangerous to children. The fact that traders ignored those warnings has resulted in a number of them incurring a financial penalty. I regret that fact, but the fault is that of the traders and not that of the trading standard officers or my Department.

Sir Bernard Braine: I wish to press the point that has just been made. My hon. Friend the Under-Secretary of State has just told the House that traders were given 18 months' warning. We are anxious to learn of the evidence before that time showing that regulations of this nature were necessary. What additional evidence was presented during the warning period showing that the decision taken in principle to introduce these regulations would be justified? My vote turns on the case my hon. Friend the Under-Secretary of State makes to the House showing that action was necessary before the warning period and that experience during the warning period revealed that the initial decision was justified.

Mr. Fletcher: Warnings were given—the trade was advised — by my Department, by my predecessor as Minister with responsibility for consumer affairs and by local authorities, and there was the withdrawal of these products to a considerable extent from the market. But, despite the warnings that had been given, these products arose again, and in larger numbers, and at that point, after asking the trade — as we ask many traders and companies to withdraw products if we consider them to be dangerous—to withdraw them and after those warnings had failed, action was taken.

This is the seventh occasion since the passage of the Consumer Safety Act 1978 when a prohibition notice of this kind has been made forcing companies to take goods from the market. On many other occasions none of this heavy legislation—and I am the first to admit that we should not be considering a matter of this kind in the House of Commons — has been necessary. On only seven occasions has it been necessary to introduce legislation of this kind.

If people will not take notice of warnings and if the best advice that we in the Department have—medical advice and advice from the laboratory of the Government Chemist and others, including trading standards officers and local authorities — is that products such as these are dangerous, something must be done. Here is a chocolate that looks and smells like a chocolate but happens to be an eraser, when its function as an eraser does not require it to look like a chocolate. Kiddies who will normally put things in their mouths are surely much more tempted to do so when erasers are in that form.

Mr. David Ashby (Leicestershire, North-West): My hon. Friend has referred to warnings having been given during the last 18 months. Would he consider the letter of 29 March 1984 sent out by a Mr. Rider of his Department to a number of suppliers and retailers—going behind the backs of the suppliers, as it were—to have been one of the warnings? The link between scented products and glue sniffing was the real problem.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I am anxious to help the House, but I must remind hon. Members that this is a short debate and that we have had more interventions than we have had Minister's speech. I hope that we can now proceed.

Mr. Fletcher: That letter, if dated 29 March 1984, would have been sent out after these goods had been banned, so it was not a warning. The goods were banned in January 1984, which is why this instrument is before the House tonight. *[Interruption.]* I cannot explain a particular letter sent out by my Department in March 1984. I thought that the substance of my hon. Friend's argument was that he was trying to demonstrate that inadequate warning had been given. I have explained that that letter was written after the time warnings had been given. The letter to which my hon. Friend referred was written in the normal course of business between my department and a supplier, and I do not think that my hon. Friend the Member for Leicestershire, North-West (Mr. Ashby) is objecting to what I have said.

Mr. Teddy Taylor: Who was warned?

Mr. Fletcher: I gather that my hon. Friend the Member for Southend, East insists that there was insufficient warning. I repeat that this matter was debated in Standing Committee last year and was part of the case brought in the High Court against my right hon. Friend. I would not expect to convince my hon. Friend about the former, but in the latter the court ruled in favour of my right hon. Friend on all counts and awarded costs in his favour. I am sure that my hon. Friend the Member for Southend, East is aware of these facts.

During the last year the Department carried out extensive consultations with the trade. In all, 104 bodies were consulted. They included 30 trade associations and 16 individual firms. Half of the 104 responded; 2 had no comment, 39 were generally in favour and 11 opposed the concept. By not responding, the 52 bodies which sent no reply can be assumed to support the principle or to have no firm views. The 11 opponents among the 104 which were invited to comment were all traders. Some, if not all, of the concerns of the trade associations whom we consulted have been met by subsequent amendments to the regulations and all comments received have been fully considered in determining the form and content of the draft regulations.

In regard to available accident statistics, the increase in the number of accidents involving erasers in the statistics available for 1983 and 1984 provided by the Department's home accidents surveillance system confirm that action is needed. The 1984 total, which is not yet complete, is 16 accidents in which erasers were swallowed or stuck in the noses of children. This is a survey of only 20 hospitals in England — that is about 7 per cent. of hospitals. It means that 16 erasers—

Mr. Douglas Hogg (Grantham): Of what kind?

Mr. Fletcher: Of all kinds.

Mr. Hogg: How does my hon. Friend know they were of all kinds?

Mr. Fletcher: I do not think they were all the one kind of eraser. There were several kinds of eraser involved.

Mr. Alan Williams (Swansea, West): I am grateful for the fact that the Minister has given us that extra

information. When the companies have written to him, and when I have written to him to ask for more information about the 20 accidents referred to previously, he has replied that it would be too expensive to find out what type of eraser was involved.

Mr. Fletcher: We have some more information although I cannot say exactly what sort of eraser was involved in each accident. That information is not available. The right hon. Gentleman is correct.

The point remains that 16 children were admitted to hospital. These are just hospital cases in 7 per cent of hospitals in England where erasers where swallowed, stuck in the throat or stuck in the nose and therefore the children required medical treatment. Obviously it does not take account of the number of cases where parents or schoolteachers rescued children from danger of choking.

Mr. Peter Griffiths (Portsmouth, North): This seems to be the crux of the matter. How many children were admitted to those 20 hospitals with foreign bodies pushed into some bodily orifice? Was it a small proportion or a high proportion?

Mr. Fletcher: There should be no ambiguity about this. I have already conceded that children swallow all sorts of objects; for that matter, so do adults. I ask my hon. Friends to bear in mind that the danger we are trying to deal with is the manufacture of products which deliberately attract children to swallow them or to put then in their mouths or noses.

The regulations deal with food imitation. Like Germany, France, Greece, Ireland and other countries, we are saying that we should ban a flood of objects of this kind from Far Eastern countries. That is the object of the regulations. I see no benefit to the economy in the import of erasers shaped like lemons, strawberries, oranges and chocolates. It should be remembered that the home accidents surveillance system covers only home accidents that are treated in hospital. As I said, many are dealt with speedily by parents and schoolteachers and therefore are not recorded.

In taking action, the House will do two main things. First, it will keep known imitation food products, which are mainly scented erasers, off the market and avoid a potential increase in the number of accidents associated with them. Secondly, it will pre-empt the introduction of other products which imitate food. As I said, they can hardly be said to be making any contribution to the British economy.

In making permanent regulations, it is logical to cover not only scented erasers but other similar products that are equally dangerous, and to include other means of food imitation.

In order to cause the minimum restriction on trade, the product coverage has been confined to those items known to exist, or which can reasonably be surmised could exist, in food imitation form, whose utility does not require them to bear any resemblance to food and to which children have ready access.

I have adopted a targeted approach so that the trade should know with certainty what would and would not be permissible. My target is not the traditional toys of long standing, but the new and more dangerous products that have come on to the market in recent years, and almost all from the far east.

The regulations contain three simple tests, all related to the size of objects. The main test is a truncated cylinder. I am sure that my hon. Friends will be interested to know that it was originally developed for consumer safety purposes—to test goods that should not be swallowed—in the United States, hardly a nannying economy. It is now internationally recognised as a guide to the size of toy products that are suitable or not for children under the age of three.

It is a better test than that specified in the Scented Erasers (Safety) Order, whereby an eraser was banned if it had at least two dimensions each less than 45 mm, because it is directly related to the size of object a child could swallow. Trading standards officers favour the use of this simple, inexpensive, gadget as the main test of size.

There is also a potential hazard from larger objects from which small children can detach smaller pieces by biting or pulling. Therefore, two severance tests are necessary to simulate the abuse things are likely to receive in the hands and mouths of small children.

I remind my hon. Friends that the Government, in a White Paper published last July proposed to strengthen the legislation on the safety of goods. It is proposed that a general duty be placed on all suppliers to ensure that their goods are safe in accordance with sound modern standards of safety. Of course, they will mainly be BSI standards.

In addition, powers are proposed to enable enforcement officers to seize or freeze and thus prevent the distribution of suspected dangerous goods and to allow customs and excise to notify the importation of such goods. All these measures will have the effect of diminishing the need for safety regulations and prohibition orders and notices of the kind that we are considering tonight.

Finally, the House will wish to know that there is legislation in a number of countries banning small objects that imitate food — in France, West Germany, Switzerland, Sweden, The Republic of Ireland, Greece and Australia. Belgium, Denmark, The Netherlands and a number of other countries are proposing similar action shortly.

I invite the House to support the regulations.

10.53 pm

Mr. Alan Williams (Swansea, West): When I listened to the winding-up speech on fluoridation last night, I reached the conclusion that it was hardly possible for a Minister to make a speech more calculated to ensure a rebellion on his own Back Benches. We have now shortened our time scale in politics and discovered that a day is a long time. I congratulate the Minister on exceeding my expectations in his speech tonight.

I begin from the rather humble position of not wanting to intervene in the argument, which the Minister will clearly enjoy, between himself and his parliamentary friends——

Mr. Fletcher: The right hon. Gentleman knows that I was happy to give way to my hon. Friends. There is no danger of his speech being interrupted by his hon. Friends.

Mr. Williams: There is a very good reason for that —I told them to go home. I shall explain a little later why I told them to do just that.

As one who used to be a Minister with responsibility for consumer affairs, I take a pragmatic view of these matters. I agree with what the Minister is doing. I do not

[Mr. Williams]

agree with the proposition that is implicit in some of the criticism—that we must wait for some poor child to die before we accept that there is a hazard. It is the duty of parliamentarians to identify a hazard and eliminate it if possible. It is irresponsible to ask "How many deaths have there been?" If, as a result of what happens tonight there are no deaths, we will be able to say that this was one of the House's more successful ventures.

Mr. Robert B. Jones (Hertfordshire, West): The only time when, as a child, I choked on something and had to go to hospital, it was on a square sweet, which fulfils all the criteria laid down by my hon. Friend the Minister. Presumably neither the right hon. Gentleman nor my hon. Friend proposes to ban sweets on that count. Where does the right hon. Gentleman draw the line?

Mr. Williams: My understanding is that the average sweet is soluble and therefore more likely to be survived. If the hon. Gentleman wants to extend the scope of the regulations, he should table amendments to that end.

It seems self-evident that if objects look and smell like sweets to adults, they will certainly look and smell like sweets to young children. It is inevitable that, unless we take appropriate action, there will be an accident, for which we will all feel ashamed if we reject this proposal.

I want to support the Minister. Indeed, I bailed him out in the rebellion in the Committee of March last year. I used our vote, or the threat of it, to enable the Minister to get the legislation through because I thought it was needed, although he presented it ham-handedly and unconvincingly. The hon. Member for Southend, East (Mr. Taylor) will recall that we thought we had extracted an assurance that, if we let the regulations go through, there would be immediate consultation and an amending regulation would be introduced within 12 months. We did not think that we should have to wait for so long as we have done.

Mr. Fletcher: We intended to introduce the regulations as quickly as possible. We started consultations after the Committee debate, but were immediately involved in a case in the High Court, which prevented consultations from starting until after July, as we were obliged to defend the charges.

Mr. Williams: That is not a credible argument. Indeed, the High Court case rendered consultation more necessary, to prepare the Government to present a perfect proposal if the court turned the hon. Gentleman down. Although that case might have prevented discussion in the House, I cannot believe that it interfered with the process of consultation. It is more likely that the Department diverted consultations to glue sniffing and other matters.

The Opposition would have supported the regulations had that been necessary, but I told my right hon. and hon. Friends to go home. The Government have been less than adept in their presentation. The matter has been incredibly mishandled. Even the consultative process has been a sham. Although we might disagree with people, if we are to have a meaningful consultative process we must consider their arguments carefully.

Mr. Fletcher: I did.

Mr. Williams: The Minister says that he did. I had a letter from the suppliers whom I had attacked in Committee. They said that the Minister had quoted 20 accidents involving erasers from the hospital surveillance system that I set up in the late 1970s.

Mr. Fletcher: A worthwhile system.

Mr. Williams: I do not receive many compliments, so I am happy to receive one, from whatever source.

The Minister was asked how many of the 20 were attributable to scented erasers. He replied to the industry and said, in effect, that he saw no point in finding out. Even by ministerial standards that savoured of high-handedness.

I thought that I would try a little parliamentary comradeship and therefore I dropped the Minister a note, in the kindest and politest of terms, asking him for clarification about the 20 cases. The answer that I received was:

"I do not think it necessary to pursue the further reported accidents to justify the action that has been taken. That would be going to unnecessary expense with no guarantee of establishing any meaningful statistics."

"Unnecessary expense" to find out about 20 cases? The people who are losing £200,000 of stock would have paid for the inquiry if the Minister had given them a chance to do so.

"Unnecessary expense with no guarantee".

Does there have to be a guarantee? As he was calling those cases in support of his argument, surely the industry was entitled to have them thoroughly investigated, but as there was no guarantee of establishing meaningful statistics, the Minister was not willing to do that.

One is left with a further suspicion. The suspicion in my mind, and, I am sure, in the minds of the Minister's hon. Friends, is that he did not go ahead with an analysis of those 20 cases because he was afraid that they would come out the wrong way. Strangely enough, only a few moments ago the hon. Gentleman referred to a different number. I shall not quibble about which number is correct, because it may not be relevant. The numbers may have been over a different time scale.

When I asked the Minister what types of eraser were involved, he told me that they were of all types. When I intervened to ask how he knew that, he said that they must have been. He does not know. It is of some significance when the Minister gives the House a categorical assurance——

Mr. Fletcher: It was not.

Mr. Williams: It was not a categorical assurance, but the Minister was trying to persuade the House. Is he saying that if the accidents had been analysed it might have been found that the erasers were of all types?

Mr. Fletcher: No.

Mr. Williams: What is the Minister saying?

Mr. Fletcher: I said that the possibility of going back to these cases and establishing what type of erasers were involved was extremely remote. It was not a lack of willingness to go back but a doubt whether any substantial evidence would be available. That was the first consideration. Secondly, when the right hon. Gentleman asked what type of erasers they were and I replied that they were of all types, I was saying that one could safely assume that more than one type was involved if there were a number of accidents. That is the point that I was trying to make.

Mr. Williams: The Minister said that he was afraid that the information might not be available. Surely the Government, even with their present economy campaign, could have afforded 20 second-class letters to find out whether there were any records, even if they did not explore further. What the Minister says does not wash. It does not bear analysis.

Mr. Christopher Hawkins (High Peak): The right hon. Gentleman cannot have it both ways. First he says that he thinks the Government are right not to wait until someone dies, which is a view I am delighted he has taken and completely endorse, and then he complains that the Government have not analysed the statistics to discover how many scented erasers are involved. The hon. Gentleman's argument was that Parliament's job was to decide whether, on balance, these were likely to be the cause of serious accidents. I totally accept his argument that they are very likely to be the cause of serious accidents.

Mr. Williams: I was not basing my position on 20 cases, but the Minister was. The Minister might care to look at his correspondence and at the information that he sent to the suppliers. It was the Minister, not me, who came here and put forward the proposition. It is his evidence, not mine. I started from the position that I was in favour of what he was doing, but I still say to the House that it is entitled to clear information. The hon. Gentleman misled the House inadvertently — perhaps that is too generous: frivolously is nearer the truth; it was not done malevolently — and without due consideration. He misled his colleagues about the nature of the evidence in his possession. He does not have the evidence which he originally claimed to have.

I deal next with the question of voting because I want the Minister and Conservative Members to understand our position. As I said, in Committee, we made it clear that we would have supported the regulations had there been a vote. We should also have been happy to support the regulations this evening, but the Government's handling of the matter has been so appallingly bad that they do not deserve to be supported. However I believe that this is a desirable measure, and therefore I am not willing to ask my hon. Friends, despite the ham-handedness of the Government——

Mr. Fletcher *rose*——

Mr. Williams: I told them to go home, for that very reason.

Mr. Fletcher: Is the right hon. Gentleman saying that before the debate began he asked his hon. Friends to go home?

Mr. Williams: That is right. I have all the Minister's letters. Does he not stand by the letters that he sends to his parliamentary colleagues? We knew that he had messed things up in his analysis of the situation. Consequently, I said to my hon. Friends that in no circumstances would we vote against the regulations but that it was not up to us to get the Government's chestnuts out of the fire when they had mishandled the situation so badly.

Mr. Douglas Hogg: The hon. Member owes the House a further explanation. He has told the House in the clearest possible terms that these products constitute a hazard and that people can die. Faced with that fact, I simply do not understand how, in all honour, he can say that because the Parliamentary Under-Secretary has behaved in an odd manner he will withhold his support for the regulations.

Mr. Williams: Is the hon. Gentleman suggesting that the regulations will be defeated?

Mr. Hogg: That is not the point.

Mr. Williams: I see. I did not know that we had a rebellion on our hands. If the hon. Gentleman had come to me and said that he needed the support of the Opposition to get these regulations through the House, of course we should have rallied our troops, but perhaps I had better leave the Government to sort out their own problems.

11.8 pm

Mr. Christopher Hawkins (High Peak): I support the regulations. Some people have said that nobody has died because of scented erasers, so why ban them? Having found my youngest daughter when 18 months old with one such eraser in her mouth, I did not wait to see whether it killed her before taking action. Personally, I am delighted that the Government are not waiting either until somebody dies before they take action.

Mr. Ashby: Why did my hon. Friend buy it?

Mr. Hawkins: I did not buy it. It turned out that my other daughter had a collection of 20 or 30 of these dangerous toys which neither my wife nor I knew about. I am sure that that has happened to many other people.

Some people say that children can die from swallowing marbles, coins or dice, so why not ban them? There is a very good reason. Even a young child who cannot yet speak can be trained not to swallow anything except food and drink. My wife and I have done that, as have most parents. Marbles, coins and dice do not look like, feel like or smell like food. I would object, however, if somebody made marbles which looked like aniseed balls and smelled like aniseed balls. We should ban such marbles, because they would fool a child into believing that they were food.

My objection to scented erasers is that they appear to be what they are not. They are purposely made to look and smell like sweets. They present a danger that we cannot train a young child to recognise. We cannot tell a child that does not yet speak our language that there are some imbeciles in the world who will take a perfectly useful object and use science and chemistry to make a small child think that it is a sweet or some kind of food so that they might eat it and choke themselves to death.

I should use two criteria. First, will a product fool a child into thinking that it is edible? Secondly, will it be dangerous for a child who tries to swallow it? Could he choke? Scented erasers fail to be acceptable on both those counts. However, marbles do not fail to be acceptable on both those counts. Some products may be marginal and some will fail strongly on both counts. Few of us would want people to start manufacturing household bleach that looked, smelled and tasted like orange juice.

To digress from the debate, I understand that another imbecile is making a product called gremlins which are half an inch long, look like sweets, and when dropped into water swell to five or 10 times their size. They will also do that in the mouth. I hope that my hon. Friend will look at those as well and take action. Many parents are equally concerned about that.

We should not over-protect the public, but products which look and smell like food or sweets and which can

[Mr. Hawkins]

be dangerous if a child tries to swallow them should be banned. That is why I welcome what the Government are doing, and that is why I will support the regulations.

I know that there is a big revolt among my hon. Friends. I have had personal experience of a child who might have died. Before my hon. Friends continue with their revolt, I ask them please to have an open mind. The bible says "He that is without sin among you, let him first cast a stone". Let the first child die because of this dangerous product, and which of my hon. Friends will tell the parents why he revolted?

11.12 pm

Mr. Michael Meadowcraft (Leeds, West): I take the same view as the hon. Member for High Peak (Mr. Hawkins) about the seriousness of the matter. Whenever any Government decide to interfere in the commercial aspects of such a matter, the detail of the regulations can easily be mocked. There is no doubt that the amount of pressure and the number of Newtons required to pull something apart, and so on, in the regulations before us tonight can easily be laughed at.

There is an argument that Governments interfere too much in the ordinary affairs of people. The Minister said that the order seeks to ban items which positively invite children to put products into their mouths illegitimately. I accept that it cannot be imagined that the item that we are discussing is a high priority for time on the Floor of the House. But it is on the Floor of the House for debate, and so the question for those Conservative Members who mock the regulations is whether they are beneficial or not.

Clearly, on balance the regulations are beneficial. For instance, I quote a case in the constituency of my hon. Friend the Member for Isle of Wight (Mr. Ross) of a six-year-old child who on Christmas day 1983 swallowed a pen top and died as a result. The question is whether an item would encourage someone illegitimately to eat it.

In Committee in March 1984 the hon. Member for Southend, East (Mr. Taylor) criticised earlier regulations and then made play of only banning scented erasers rather than items imitating food. His hon. Friend the Member for Shipley (Mr. Fox), who was also critical, said categorically that he would go further than the order and ban food facsimile erasers, whether they were scented or not. He said that anything that looks like food should be banned. That would make more sense to industry and the public. That criticism made in March has been met.

The logic is that the items mentioned do not have to look or smell like sweets, if they do, young children might eat them. It is not the world's greatest issue, but it is worth supporting.

11.15 pm

Mr. Teddy Taylor (Southend, East): I hope that the few points that I shall make will persuade the Minister to withdraw the order. The order is ill-conceived, unnecessarily severe and badly drafted. The trades and industries involved have been treated shamefully.

We must first ask whether there is any justification for the order. If we had the slightest belief that these items were more dangerous than the generality of small objects which children can swallow, we should certainly support the banning of them. However, there is not a shred of evidence from the Minister or anyone else that these items are any more dangerous for children than the multitude of small items which children can be tempted to swallow.

Mr. Christopher Hawkins: We are dealing with an essential and important point. A child can be trained not to put in its mouth things which are not for eating or drinking, but a child who cannot yet speak cannot be trained not to put in its mouth things which appear to be food.

Mr. Taylor: I am sorry, but the evidence is exactly the opposite. I do not want to quote accident statistics. They are simply a means of saying "Let's wait for a death". However, one can use statistics to discover what children swallow and cause danger. I appeal to hon. Members before they vote to look at *Hansard* and the answer from the Minister about the number of children and others who received hospital treatment for swallowing things. It is there in black and white. The Minister says that 2,174 people, mainly children, received hospital treatment for swallowing things. What kind of things? A total of 690 received treatment for swallowing bones, 290 for swallowing money and an astonishing 74 for swallowing marbles. Only one child last year received medical treatment for swallowing an eraser — and we do not know whether it was scented.

On the basis of that information, there is a case for treating the marbles problem much more seriously than the eraser problem. If the Minister disagrees, I ask him whether there is any evidence that they are uniquely dangerous. There has been not a shred of evidence.

I have not picked out figures from one year. I have the figures for the last five years, which reveal that a multitude of children have been given hospital treatment for swallowing things, but they do not reveal evidence that scented erasers are any more dangerous than any other small objects which children pick up.

Mr. Fletcher: Sometimes I think that my hon. Friend the Member for Southend, East (Mr. Taylor) argues with himself. There is no argument about the items that adults and children swallow. But why invite children to swallow things by designing products which do not have to look, smell, or taste like food so that more of our children are encouraged to put them into their mouths? Of the 16 cases that I mentioned, 15 involved children getting parts stuck in their noses. The unnecessary smell must have something to do with it. Even my hon. Friend would admit that. The victims had to go to hospital to have the items removed. No one, including my hon. Friend, would recommend that to parents or children.

Mr. Taylor: If we are to include all the figures, the figure of 2,000 will rise substantially, as the Minister knows. Last year's evidence showed that 74 children received hospital treatment for swallowing marbles, and one child for swallowing an eraser. The Minister has not even found out whether it was a scented eraser or one which would not be affected by the regulations.

If we accept the Minister's arguments, the crucial question is whether he warned the trade. Did he seek its co-operation? The only warning that I can trace—I have followed this matter up in many parliamentary questions — was given by my hon. Friend the Member for Reading, East (Sir G. Vaughan), the previous Minister, on 8 November 1982. He issued a Department of Trade and Industry circular letter entitled:

"Scented novelties: Common sense and a caution rather than a ban."

It stated that the Minister had considered the evidence and continued:

"I do not think a ban would be justified."

However, my hon. Friend appealed to suppliers and shopkeepers to stop selling smaller-sized novelties of the kind particularly likely to cause choking if swallowed.

The Minister knows that the trade was not advised of this regulation. It appears that a copy was sent to the toy manufacturers association, which is involved in only a small way, and that none of the 40 individual suppliers who are in touch with me was aware of a warning. If the Minister had told the trade that he was worried about small rubbers that look like sweets, the trade would have agreed to act immediately to avoid emergency regulations, which have caused it enormous hardship and considerable financial loss. It has been confirmed in parliamentary questions that the vast majority of the trade was wholly unaware of that warning. The Minister knows that, because I asked him for full details of all those who were consulted and approached.

Mr. Douglas Hogg: If my hon. Friend is telling the House that the trade would have agreed to withdraw small rubbers, why should we object to prohibiting them?

Mr. Taylor: The trade would have agreed to withdraw all erasers that looked like sweets, which is a small percentage of those which are covered by the regulations. They deal with erasers which look or smell like sweets. That is about 30 times the number of those which look like sweets.

The Minister knows that he could have introduced regulations with the agreement of the trade to ban the sale of erasers that look and smell like sweets. The matter would have been resolved satisfactorily, not because the trade or those involved thought that there was a need for a ban but because the Minister thought that something had to be done. The matter could then have been resolved easily and without hardship.

It has been said that the association of district councils and others have put forward similar recommendations. The Minister knows that all such associations were under the impression that the Minister was considering erasers that looked like sweets. If we accept that there is a danger, although there is not a shred of evidence to support it, why is the Minister making three exceptions to the regulations?

First, he says that these small food imitations can be sold if they are contained in dolls' houses. If he is worried that these items are a danger, are they not an even greater danger to children if they are contained in dolls' houses? Why should they be excluded because they are contained in dolls' houses?

Mr. Fletcher: Only if they do not smell or taste like food.

Mr. Taylor: The order uses the words

"products bona fide intended for use to represent food in a dolls' house or other model . . . setting."

Mr. Fletcher: If they do not smell or taste like food.

Mr. Taylor: They must look like food if they are to represent food in a dolls' house. Therefore, something that looks like food and is in a dolls' house should be excluded.

The second thing that the Minister has excluded entirely is marbles. If we believe that marbles are dangerous, why do we not exclude them? Last year, 74 children were taken to hospital after swallowing marbles, compared with only one child taken to hospital after swallowing an eraser. The third exemption is for exports. If those objects are dangerous, why should we allow companies to export them?

The Minister should ask himself whether the order goes too far. He said that large erasers would be covered if one could bite pieces off them. What is the bite test? As the Minister will know from the regulations, the bite test involves a very sharp edge — much sharper than the teeth of a small child—with a weight of 50 lbs, which is larger than one's baggage allowance for flying across the Atlantic, going down onto the eraser. That is a much larger load than any child could bring to bear on an eraser.

The next thing that we must ask ourselves is whether the order is a fair way of dealing with the trade. The main problem is with erasers that smell like sweets or flowers. The trade has been dealing with the erasers for about a year, and I assure the Minister that they have created genuine fears. He will be aware of the case of a company in my constitutuency which took specific erasers to the trading standards officer in Hertfordshire and was told that they were perfectly lawful. They did not fall within the criteria for banning. The company was then prosecuted in another county for selling exactly the same erasers. The Minister knows that many such cases have arisen because trading standards officers and the courts must work out the smell of food and sweets. Many of the erasers are shaped like typewriters or spacemen. It is extremely difficult to work out the smell of food. I would suggest that it is completely unworkable.

Sir John Page (Harrow, West): I was sent a yellow and brown snail, which I believe is covered by the Bill. It smells of soap. I was wondering whether it would be more offensive if it smelled like escargots, or more dangerous if it smelled like glue. Does the matter that we are discussing this evening compare with the Spotted "Hummerfly" Protection Bill, about which my hon. Friend knows a great deal?

Mr. Taylor: My hon. Friend has raised an important point. What is the smell of food? Under the order, every trader will have to work that out for himself. He will have to seek advice. What is the point of a trader going to a trading standards officer and being told that the eraser is all right if he is prosecuted for it by a neighbouring authority?

Mr. Fletcher: This order follows consultations and is an improvement on the original order; but, on the evidence of the original order, the judge in the judicial review accepted that such tests had to be made and that, in those circumstances, they were acceptable. As I said earlier, he found in favour of my right hon. Friend the Secretary of State. My hon. Friend is disagreeing not just with me—that does not matter—but with the firm judgment on the case which was taken to the High Court by the trade which he supports.

Mr. Taylor: The Minister is in danger almost of misleading the House. The judge was not called upon to express a view on the merits of the case or on the feasibility of operation of the tests. He was asked whether this was a lawful use of emergency powers. Does the Minister agree that traders have taken erasers to trading standards

[Mr. Taylor]

officers and, indeed, to public analysts, been told that they are all right, and then been prosecuted for selling them in other authorities' areas?

The Minister is aware that the complaint is not made by a few nutcases. This view is held throughout industry and, indeed, by the CBI. I have a letter from the CBI, which says:

"The regulations as they stand are in danger of bringing consumer legislation into disrepute, because of its obscurity for business and enforcers alike."

At a time when we have over 3 million unemployed, and industry and trade are fighting for survival, my hon. Friend the Minister has treated an important business in a contemptuous way, and has not taken its views into account. If there was a problem of safety and a danger to young people, this could readily have been resolved in proper discussions and consultations.

My hon. Friend has made no case to show that the objects covered in the legislation are in any way more dangerous than the generality of many small objects that children can put in their mouths. If there were such evidence, most of us would jump into the Lobby to support such legislation. My hon. Friend has not proved the case for extending the order from things that look like sweets to things that smell like sweets or flowers. The sensible thing to do would be to withdraw the order. My hon. Friend should have proper consultation with the trade and bring in a new order, if he wishes, to ban erasers that look like sweets, instead of bringing in messy, unworkable regulations, which have caused a great deal of distress, anxiety and unnecessary loss of business. They are not in the interests of safety, but in the interests of senseless, bureaucratic nonsense.

11.31 pm

Mr. Douglas Hogg (Grantham): I am sorry to disagree with my hon. Friend the Member for Southend, East (Mr. Taylor), who delivered his speech with a great deal of feeling. It is wrong to criticise my hon. Friend the Under-Secretary for introducing these regulations. They are sensible, wise and prudent. I entirely agree with the view put forward by my hon. Friend the Member for High Peak (Mr. Hawkins), by the right hon. Member for Swansea, West (Mr. Williams) and by my hon. Friend the Under-Secretary, that these things constitute a trap. By nature and design, they are a trap. If one creates an eraser that looks and smells like a strawberry, one must not be surprised when a child puts it in his or her mouth.

The eraser that I have in my hand looks and smells like a strawberry. I would not be surprised if a little child put it into his or her mouth, and I would not laugh if a child did so. That is true of many other substances covered by these regulations. We may not have any clear evidence that anybody has died or suffered serious injury from products covered by these regulations, but, as the right hon. Member for Swansea, West said, are we to wait for a serious injury or a fatality before we act? Is that a sensible exercise of the discretions and functions of the House? Surely not, because we are considering a hazard, and we are entitled to guard against it.

It is true that some aspects of the regulations probably go further than is necessary. However, my hon. Friend the Minister made the sound point that we cannot embark on a drafting exercise. I regret that as much as anybody else. I wish that we could amend these regulations. However, we are faced with the choice of accepting the regulations entirely or rejecting them entirely. We can go on bringing them back, changing them in draft, carrying on negotiations, and one thing and another, but what would we be doing that for? My hon. Friend the Member for Southend, East feels that there are other great counter-balancing factors to be considered. He talked about 3 million unemployed, and about large concentrations of stock on the shelves, but are those real considerations?

I sense that some hon. Members believe that the garment of liberty is indivisible, and that we cannot have fluoridation, seat belts and crash helmets, and we must allow people to produce dangerous objects. This is the old argument. I do not agree. I think that hon. Members are entitled to form a judgment in the broad, and in the broad these objects are dangerous. I do not see any counterbalancing arguments which support the point of view of either of my hon. Friends.

Mr. Hickmet: My hon. Friend applies the law of tort to his analysis of this issue, and I am sure that if we were in the High Court we would all applaud his analysis. But where is the evidence that these rubbers are dangerous? If we are to say that we exercise a judgment in these cases and it is not necessary to wait until a fatality occurs, where does one draw the line? Surely one has to use judgment. If one is to ban particular objects, why should one not ban the whole range of similar objects which my hon. Friend the Member for Southend, East (Mr. Taylor) has already described?

Mr. Hogg: I never mentioned the law of tort. I never contemplated the law of tort. I invited the House to apply common sense and good judgment. As my hon. Friend is a criminal lawyer, he is unduly preoccupied with evidence.

Mr. Hickmet: On a point of order, Mr. Deputy Speaker.

Mr. Hogg: Is it a point of order?

Mr. Hickmet: No, I want to ask my hon. Friend——

Mr. Hogg: No, I will not give way. If it is a point of order, I am perfectly prepared to give way, indeed I must give way, but I do not have to give way to an intervention.

Mr. Deputy Speaker: Order. This is a very short debate.

Mr. Hogg: Guided by the principle of common sense, we are being asked to consider a number of products which are for no very good reason designed to resemble sweets and other articles which would be attractive to children. It seems obvious to me that small children are likely to put them in their mouths and suffer serious injury. Faced with that obvious, clear and predictable risk, I think that the objections put forward by my hon. Friends are simply absurd.

11.36 pm

Mr. John Watson (Skipton and Ripon): I should first declare something of an interest, in that until 1979 when I was elected to the House I was the managing director of Waddington Games, and I am still a director of the holding company. While I speak from a position of some interest, it is not a position of vested interest, because the company

makes none of the products that are now known rather euphemistically as scented products. We used to make such products. In the early 1960s we produced a series of jigsaw puzzles which were perfectly round, one of which was printed with scented ink. It was a picture of an Italian pizza. The slogan on the carton was, "Looks like pizza, smells like pizza, but tastes like cardboard". So far as I can see, such a harmless product would indeed be banned under the regulations. That is the one reservation that I have about them.

I will support the regulations, because I believe in the principle that they seek to achieve. I follow the common sense, if not entirely the arguments, of my hon. Friend the Member for Grantham (Mr. Hogg), when he says that something that looks like chocolate and smells like chocolate runs the risk of being swallowed as chocolate.

Where I differ from my hon. Friend the Parliamentary Under-Secretary of State for Trade and Industry is in the scope of the drafting of the regulations which seems to me to be unnecessarily wide. For example, why are adults included? I quote—

"'Toys' means playthings whether intended for adults or children".

Adults, I submit, know what they can eat and what they cannot eat. I acknowledge that the catering department of British Rail may have done its best to blur the distinction in recent months, but by and large adults know what they can eat and what they cannot eat and do not need statutory protection in the matter. Secondly, why is it necessary to include the smell of flowers? Again I quote—

"any regulated product—

(a) which looks like food, or smells like food or like flowers".

Children by and large do not eat flowers. I have three children and I pride myself on believing that they are fairly normal. I can assure the House that they do not go rampaging round the garden biting the heads off the roses and munching their way through the gladioli. I do not think that children need protection from things that smell like flowers.

Why do we need to include the specific product Playdoh? By implication, at least, that is included in the definition

"modelling clay, plasticine and products of a like nature".

Clearly that would include Playdoh although it is dough, and can be eaten. As I know to my cost, if someone puts it in the oven he will get a sort of technicoloured chapatti, which may not be particularly appetising but which is at least edible.

If we pass the regulations, I fear that a little old lady running a toy shop in Bishop's Stortford, who is sitting down on a quiet Thursday afternoon doing her scented jigsaw puzzle of a scented rose, will be faced by a geezer from the trading standards office who says, "Will your pieces fit into my truncated cylinder? And, by the way, could the cherries in your hat be described as 'play things', because, if so, your hat has just been banned by Parliament?"

I am quite content to vote for the regulations, but I shall do so with the anxiety that they have been drafted with perhaps unnecessary width. I very much hope that they will not be used as a basis for a witch-hunt against products which Parliament is perfectly happy to permit.

11.40 pm

Mrs. Edwina Currie (Derbyshire, South): It is with some trepidation that I enter into the debate. I was introduced to these items in exactly the same way as my hon. Friend the Member for High Peak (Mr. Hawkins) was. My elder daughter brought them home from school, and I caught my younger daughter — who was then about four — trying to eat them. It was immediately apparent to me that what appeared to be harmless was not, and that what seemed to be clever and fun—and these items are very clever—was in fact, quite alarming.

The programme "That's Life" has been mentioned. Those of us who watched the programme for several weeks when it highlighted this problem are aware of the tremendous public concern that was produced. It also highlighted decorative items such as a brooch in the shape of a bar of chocolate that was being given away in Cadbury's drinking chocolate. It is interesting to recall that that was immediately and voluntarily withdrawn. If no one else will, I will pay tribute to the "That's Life" programme, because it has done an excellent job on this and other dangerous items and brought them to the public's attention. I also pay tribute to Derbyshire county council's trading standards department, which made renewed and persistent efforts to ensure that some regulations were introduced.

One of the problems is that most of these items are made for children and are therefore pocket-money items. They are obtained through swaps, too, and are extremely difficult—just about impossible—for parents to control, even for those who make every effort to supervise and control what their children buy. These articles look nice, look like food, and smell nice. We have all been sent a model snail by a company which readily admits that it stands to lose £140,000 in written-off stock. The point is that in support of its case it did not send us the strawberry smelling of strawberries, the——

Mr. Ashby: Will my hon. Friend give way?

Mrs. Currie: I shall not give way, as there is not time. That company did not send in support of its case an eraser that looks like a piece of candy and smells of mint, or a snail that smells of snail. If it had it might have better proved the point. I suspect that we all ended up knowing exactly what my hon. Friend the Member for Harrow, West (Sir J. Page) uses in his bath, because that company sent us a snail that smells of lemons. That is dangerous, because when small children smell it, the first thing that they will do is put it in their mouths to see whether it is food. The younger the child, the greater the danger. If such items are put in children's mouths, their size makes them dangerous. Anyone who has been with a choking child knows that it is a terrifying experience. Choking can cause not only brain damage, but death. It is not good enough to ask how many deaths. Our answer should surely be "as few as possible".

It is argued that other things cause problems — I accept that they do—but these items are new and are not traditional. They create a new hazard to which the public have reacted very strongly. They expect Parliament so to react as well. Secondly, because these articles are designed to be like food, they are designed to deceive, and they will do so. They will specifically deceive small children who do not know any better. Thirdly, just because some other goods are dangerous, these items should not be condoned. We are not excused from taking action to ban smelly rubbers just because something else is

[Mrs. Currie]

dangerous. This is a dangerous world for children, and this one small specific move to tackle a particular problem is welcome.

I seem to have made several paternalistic speeches this week. Normally, I am a great believer in caveat emptor and I prefer to emphasise the responsibility of individuals for their own welfare and that of their families. My support for such measures is, therefore, only given with caution. In this case, I believe that the Government are right, and I urge hon. Members to support these regulations.

11.45 pm

Mr. David Ashby (Leicestershire, North-West): There has been great misunderstanding in this debate. I intervened—so I did not have to make a speech—to correct that misunderstanding. It must be understood that the trade does not object to the strawberry that smells like a strawberry, to the sweet that smells like a sweet or to any of those items. It is easy to frame regulations to cover those items. When some larger different object that does not look like a sweet or food has a scent that enables traders to sell it, I do not believe that it can be harmful. I agree with my hon. Friend the Member for Grantham (Mr. Hogg) that the regulations should be changed to include those types of items, and I believe that there is across-the-board agreement on that point among Conservative Members.

We must realise that we are talking about a small trade in which many people have small amounts of money tied up. By and large, small entrepreneurial companies will suffer greatly from the effect of these regulations. Employment is involved and employees will be affected by this legislation. This is the most ill-advised legislation I have come across during my 18 months as a Member.

This is a classic example of the Minister deciding on a measure and then finding an argument to match it. My hon. Friend the Under-Secretary of State has decided that these objects are dangerous. My hon. Friend has told us of 16 cases of erasers stuffed up noses or down mouths. Yesterday, a written answer about objects swallowed showed that in the catogory

"Other articles recorded less than 10 times, including erasers" —[*Official Report*] 14 January 1985; Vol. 71, col. *21*.]

only one article was swallowed in 1984.

Mr. Fletcher: What about items put up the nose?

Mr. Ashby: My hon. Friend tells me that I have not included items put up the nose. They are included in those 16 cases. What will happen when I ask my hon. Friend for the same sort of figures for marbles, money and other items stuffed up the nose? Vast quantities of items seem to be stuffed up noses.

As any parent knows—I have a child—small objects are a danger to children. Parents are vigilant about keeping small objects away from their children. It does not matter whether those items smell of flowers or food — they must be kept from children.

Mr. Hogg *rose*——

Mr. Ashby: I shall not give way. One must be vigilant: one knows of the dangers of any item in the hands of children.

I am worried most by the way in which the new regulations have come about. My hon. Friend the Under-Secretary of State told us that the measures are an extension of the existing emergency regulations, and they certainly are that. I have said that this is a classic example of the Government deciding on an action and then finding arguments.

Mr. Hogg *rose*——

Mr. Ashby: I shall not give way. A letter dated 29 March 1984 was sent in vast numbers to toy manufacturers and retailers. That letter by Mr. Rider, which was headed "Scented Children's Products", stated:

"You may know that in the recent debate in Parliament on the Scented Erasers (Safety) Order 1984, the Minister indicated that consideration would be given to the need to make regulations covering such products on a permanent basis, because of continuing concern about their scent."

The crucial point followed:

"Although medical opinion has not so far established any link between the smelling of scented products and glue sniffing, commonsense suggests that the addition of a scent to children's non-food products (except toiletries which children do not generally use in play) must encourage children to smell them for pleasure and thus carries a possible risk in that it may lead to something more serious,"

What did the official of the Minister's Department mean by that letter? Although one might say that there is no real link, I suggest that there was an attempt there to link any sort of scented object, including flowers, to glue sniffing. The object was to establish in the minds of the people the thought that once one started sniffing a scented rubber, the next step was glue sniffing. It is the most ridiculous argument I have ever come across.

Mr. Robert Banks (Harrogate): I challenge my hon. Friend on the point he is making. He underestimates the amount of parental opinion that believes that there could be a link between sniffing these rubbers and glue sniffing. The scents used in these items are particularly pungent. Children develop a kind of addiction to them. If one talks to teachers, one hears that they have had a major problem with children who have sniffed rubbers continually through lessons.

Mr. Ashby: Can one really suggest that children become addicted and that the next step is glue sniffing? The nose is a vital organ.*[Interruption.]* There is taste and smell, but why on earth should these products be singled out from among the millions of pleasurable smells, including scented flowers, that exist? One need only go to a garden designed for the blind to realise the beauty of scented flowers.

Perhaps teachers should realise that children are constantly developing their senses. That is part of their education. Having something to hand to smell is a development of the sense of smell. *[Interruption.]*I appreciate that this is a subject of some mirth; it is bound to be because of the connotations that arise. As I say, smell is part of children's education and I should expect them to explore smells.

The argument that is being adduced for extending these provisions is designed to create a sense of fear. We are being asked to go far beyond what is required amd what commonsense dictates. If the instrument were confined to objects that look and smell like food, nobody could object, but it goes much further, and, for that reason, I shall oppose it.

11.54 pm

Mr. Eric Forth (Mid-Worcestershire): This is one of those profoundly disappointing and disagreeable occasions when one is left thinking that it is a sad day if this is all that the Government have to concern themselves with.

Other hon. Members have pointed out that, as parents, when they have found their young children in the process of eating these objects, they have stopped them doing so. That surely is where the primary responsibility for such matters has lain and will always lie. It is not for the House to try to usurp the role of parents in watching what their young children are doing before they reach the age at which they can make a sensible decision for themselves.

The Minister cited, as is often the case when it suits, other countries which had done this and said that this was therefore an excellent reason for doing it. He mentioned Greece. I for one am not always anxious to follow everything that the Greeks do in such matters. This sits ill with the fact that just last night in the debate on the fluoridation of water we were told that, in spite of the fact other countries did not fluoridate their water, we would go ahead and do it.

The Government must make up their mind about whether they wish to pray in aid what other countries do. I am prepared to follow one course or the other but I am damned if I shall follow both. For that reason, and for many others given by my hon. Friends, I shall not be supporting this nonsense.

11.56 pm

Mr. Jeremy Hanley (Richmond and Barnes): It is the Government's job to try to protect people for whom they have a responsibility. They also have a duty to spot those items which are manufactured deliberately to try to entice young people, particularly when it gets to the stage that such items form part of a craze, as notified to many of us by school teachers.

In the Second Standing Committee on Statutory Instruments on 7 March I pointed out to my hon. Friend the Under-Secretary of State that at that stage 50 million scented erasers were already in circulation and were not being banned or withdrawn because of the regulations. I asked my hon. Friend whether in the year following he would come back with statistics to show exactly how many of them had caused accidents. My hon. Friend the Member for Grantham (Mr. Hogg) talked about common sense and probabilities. Out of these 50 million I wonder when one ingested by, according to *Hansard*, "persons of any age" in the past 11 months has been a proven danger to people under the Government's responsibility.

I am disturbed about these regulations because they extend further than most people want the Government's protectionist arm, but it is the Government's duty to recognise dangers when they exist. Therefore, I would not vote against the Government, because it is their duty to protect people through consumer legislation, and they do not do so often enough. However, I cannot support the regulations because I do not believe the case is proven in this instance.

Question put:—

The House divided: Ayes 183, Noes 13.

Division No. 66] **[11.57 pm**

AYES

Alexander, Richard
Ancram, Michael
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Banks, Tony *(Newham NW)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Benyon, William
Bermingham, Gerald
Best, Keith
Bevan, David Gilroy
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Boyes, Roland
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Burt, Alistair
Butterfill, John
Callaghan, Jim *(Heyw'd & M)*
Carlile, Alexander *(Montg'y)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Cohen, Harry
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Craigen, J. M.
Cranborne, Viscount
Currie, Mrs Edwina
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Eastham, Ken
Eggar, Tim
Evennett, David
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forsyth, Michael *(Stirling)*
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gow, Ian
Gregory, Conal
Ground, Patrick
Grylls, Michael
Hargreaves, Kenneth
Harris, David
Hawkins, C. *(High Peak)*
Hawksley, Warren
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hooson, Tom
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(N Norfolk)*
Howells, Geraint
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunter, Andrew
Jopling, Rt Hon Michael
Kennedy, Charles
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
McCurley, Mrs Anna
McKay, Allen *(Penistone)*
Major, John
Marlow, Antony
Mather, Carol
Meadowcroft, Michael
Michie, William
Mills, Iain *(Meriden)*
Moynihan, Hon C.
Neale, Gerrard
Nellist, David
Neubert, Michael
Page, Sir John *(Harrow W)*
Patchett, Terry
Peacock, Mrs Elizabeth
Powley, John
Rhodes James, Robert
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Skeet, T. H. H.
Smith, C. *(Isl'ton S & F'bury)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Soley, Clive
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stradling Thomas, J.
Sumberg, David
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Tracey, Richard
Trippier, David

Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Walden, George
Wallace, James
Wardle, C. *(Bexhill)*
Wareing, Robert
Watson, John
Watts, John
Whitfield, John
Whitney, Raymond
Wilkinson, John
Williams, Rt Hon A.
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tristan Garel-Jones and
Mr. Archie Hamilton.

NOES

Ames, David
Fairbairn, Nicholas
Forth, Eric
Fox, Marcus
Garrett, W. E.
Griffiths, Peter *(Portsm'th N)*
Harvey, Robert
Hawkins, Sir Paul *(SW N'folk)*
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Shepherd, Richard *(Aldridge)*
Taylor, Teddy *(S'end E)*
Wheeler, John

Tellers for the Noes:
Mr. David Ashby and
Mr. Patrick Thompson.

Resolved,

That the draft Food Imitations (Safety) Regulations 1985, which were laid before this House on 11th December, be approved.

PETITIONS

Sub-post offices (Liverpool)

12.9 am

Mr. Robert N. Wareing (Liverpool, West Derby): I have a petition from over 1,000 of my constituents who are seriously affected by the closure or threatened closure of sub-post offices in the city of Liverpool. Their petition reads as follows:

Wherefore your petitioners pray that your Honourable House

(i) will accept that the requirement in Liverpool is for a widely distributed network which is accessible and provides a basic range of services through staff who relate well to the many less able and disadvantaged members of the community, particularly the elderly and other recipients of state benefits, who use Post Offices and who are themselves part of the local community;

(ii) will agree that the need is for a strategy to be developed which looks at the provision and distribution of Post Office facilities in relation to the real needs of the customers in the City, rather than one based purely on the pursuit of efficiency and high technology and of Government imposed financial targets;

(iii) will request Her Majesty's Secretary of State for Trade and Industry to draw the contents of this humble petition to the attention of the Post Office and to direct the Post Office to prepare for approval by him a revised strategy for the future of the Post Office counters network which has full regard to the issues raised in this humble petition; and

(iv) requests the Secretary of State to direct the Post Office to cancel all closures proposed or agreed under its existing strategy.

And your petitioners, as in duty bound, will ever pray etc.

I hope that the Department of Trade and Industry will take cognisance of what I regard as a serious petition.

To lie upon the Table.

Human Embryos

12.11 am

Mr. Neil Thorne (Ilford, South): I have two petitions, Mr. Deputy Speaker. They are in identical terms. One is from 754 of my constituents, and the other from 39 of my constituents. The petitions are for the protection of the human embryo, and they read as follows:

The humble petition of the residents of the constituency of Ilford, South showeth that we affirm that the newly fertilised embryo is a real, living individual human being.

Therefore we welcome the statement in the report of the Committee of Enquiry into Human Fertilisation and Embryology (the Warnock report) that "the status of the embryo is a matter of fundamental principle which should be enshrined in legislation", and its recommendation that the embryo of the human species should be afforded protection in law.

And therefore oppose all such practices as are recommended in the report which discriminate against the embryo or violate his/her human dignity and right to life.

Wherefore your petitioners pray that the House of Commons will take immediate steps to enact legislation which forbids any procedure which involves purchase or sale of human embryos, the discarding of human embryos, their use as sources of transplant tissue or as subjects for research or experiment (unless this is done solely for the benefit of the embryo concerned).

And your petitioners, as in duty bound, will every pray etc.

The larger petition was sought by Mrs. Julie Silversides of St. Thomas vicarage, Burnside road, Dagenham in my constituency, assisted by Mr. B. K. Tully of 230 Ashburton avenue. The smaller petition was obtained by Mr. Peter Martin of 107A Kinfauns road, Goodmayes. I

wish to associate myself entirely with the sentiments of the petitions, and I hope that the Government will take due note of the genuine and proper interest in this matter.

To lie upon the Table.

Aire Valley Trunk Road

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Durant.]*

12.15 am

Mr. Marcus Fox (Shipley): The petitions being out of the way and the aroma of scented erasers having disappeared, perhaps I can turn the attention of the House to a very pressing issue for my constituents — the Bingley to Shipley section of the Airedale route. I am delighted to see my hon. Friend the Minister of State, Department of Transport on the Front Bench. She is in line for winning the record for responding to Adjournment debates. I hope that this will be a bonus for her, in that after she has listened to me she will not only be better informed but will take the right decision.

May I ask the Minister of State to imagine that she is a resident of Saltaire, a village in my constituency. Not only would she have the good fortune to live there and have me as her Member of Parliament but she would live in a unique environment, thanks to Sir Titus Salt, who in 1851 started to build his mill and a village for his employees. The mill is still producing worsted cloth. It is an historic landmark, a planned settlement of greater scale and complexity than anything which had been attempted before. He moved about 2,000 people away from the hideous 19th century conditions of Bradford — open sewers and disease—to what they thought was a new Jerusalem. And it should still be a new Jerusalem. It is situated three miles from the city of Bradford in a beautiful valley and open countryside. It was a marvel of its day. I am delighted that my hon. Friend the Minister of State, Home Office, is in the House. As my neighbour, he knows all about Saltaire. It attracted foreign dignatories not just from Europe but from further afield. Saltaire was copied in Britain. I mention Port Sunlight and Bournville as examples.

Today the village is largely intact: the great mill, the church, the institute hospital, the school and the almshouses but, above all, the terraced houses in their hundreds, loved by those who live in them, many of whom now own their houses. They are stone built and most of them are without gardens. They have only a small yard at the rear. Sir Titus deemed that the park and the surrounding countryside were the garden of his village.

In that context it is important to look at this area. It is no wonder that this is a conservation area that is visited by thousands every year. Our part of Yorkshire is not renowned for attracting tourists. The city of Bradford has managed extremely well by winning one or two awards. It is interesting that the two jewels in Bradford's crown are Saltaire and Haworth, which is part of the Bronte country. It is a haven of peace and tranquillity to so many of my constituents who have no other open space as part of their environment.

I should tell hon. Members about Roberts Park and its sporting facilities. There are 12 sports clubs, four league cricket teams, two hockey pitches, two indoor sports centres and three football grounds, not to mention tennis courts. The river and canal and all the amenities are an attraction for many. But in this narrow valley there is a continuous fight for space. It is indisputable that the physical form of this valley causes special problems. It contains a river, a canal, a railway, a road and this village as it exists. To talk about any other expansion is

[Mr. Marcus Fox]

inconceivable. I know that my hon. Friend the Minister of State is aware that I am not exaggerating. She has visited the area and is on record as saying, "I see this as one of the most difficult road problems in Britain."

Imagine, therefore, with what joy my constituents greeted the Minister's decision in 1982 to say no to any route through Saltaire, following his inspector's report. That ended 12 years of blight.

That opinion was reinforced only last year with the opening of a new railway station in April at a cost of £189,000. I think that we even got some European money, but I do not press that too hard. It was wholly in keeping with the area. We even had gas lamps to ensure that it fitted into our conservation area.

All that was shattered one month later when the Department reopened the whole matter with the present proposals. Everything is now back in the melting pot.

May I remind my hon. Friend of the results of the last inquiry? I do not need to remind her of the circumstances. The previous inquiry had been abandoned because of disruption. In fact, it was a cause celebre. I remember it as a Member of Parliament. I seem to remember one or two people coming to my advice bureau demanding that I should support them in their disruption, but I told them that I would have no part of it. I said that they should go through the consultation processes, which, of course, we did.

Robert Chance took on an invidious job as the next inspector. He impressed everyone with his dedication. He walked every foot of the route and concluded, on page 273, paragraph 670:

"I can do no other than say no all the way from Dowley Gap to Baildon."

He said that no new route was needed east of Bingley and that the existing choice was adequate from Cottingley Bar —that traffic should be kept on the A650 to Bradford and Leeds or take the B6269 for Bradford west and the motorways.

There is no doubting his conclusion that the Airedale route should end at Cottingley Bar rather than go through to Baildon. He also confirmed that the claim that new jobs would be created had not been proved and that no substantial benefit of that kind would occur. His words were:

"would aid neither economic recovery or developement in the valley."

Indeed, the Department accepted that the result would be a

"limited effect on industrial location and growth."

In other words, the only purpose of the extension of the Airedale route would be to move traffic quicker—in other words, that any price is worth just that. Well, the car is not God to all of us. It may be to some people, but there is a price that is too high to be paid. There must be a balance between progress and the environment.

Traffic from Skipton down into Bradford crawls even slower in Bradford than it does on the route down. What is the point in having all the improvements if, at the other end in Bradford, the situation is just as bad?

The only argument left is that the weight of traffic demands such a measure. What does Mr. Chance's assessor have to say about that? An expert traffic assessor sat with Mr. Chance and they both agreed that the traffic levels did not warrant a new road between Dowley Gap and Baildon. In fact, the assessor said:

"If the new road on this section—

east of Bingley—

"had been the county's responsibility, they would not have been able to justify such a large scheme against other transport priorities."

Nothing has changed since. Even the Department has conceded that since the last inquiry there is no new evidence of a substantial or material increase in the volume of traffic passing between Bingley and Shipley or, indeed, along the Aire valley route, other than any projected increase already taken into account by the inquiry of 1980-82.

People say that perhaps to finish the traffic at Cottingley Bar is not the answer, but the assessor showed that it is only at Cottingley Bar that there is any suggestion of overloading. He said that even by current traffic levels there was little congestion by national standards.

I am not an absentee landlord or absentee Member of Parliament. I live in Bingley, so I am well aware of every part of this route. I speak with feeling. As I drive from Shipley towards Bingley and get to Cottingley Bar I have every reason to turn right, leaving the A650 to continue towards Bradford west and the motorway. That road could take any proposed increase in traffic. The assessor said that the Saltaire roundabout should be given traffic lights which could deal with a greater flow. He had no doubt that the diversion of traffic at that point would help tremendously.

Councillors in my part of the world are not popular at the moment. Officers of the West Yorkshire metropolitan county opposed the ending of the road at Cottingley Bar on the ground that it conflicted with its policies to move traffic from Manningham and Girlington. They were unable to produce evidence to show that building the road east of Bingley would remove a significant volume of traffic from those areas.

Only 18 per cent. of the traffic in Toller lane and 20 per cent. in Manningham lane comes from the Aire valley. As one moves further into Bradford the proportion is even less. Yet that was the main reason for opposing the ending of the route at Cottingley Bar.

Where is all the pressure coming from? Is it from the Department of Transport or from the West Yorkshire metropolitan county? The latter will not be around for long, fortunately. Is it from the Bradford district council? Surely it cannot want a route that divides a village from its open space or another that would result in the demolition of much needed houses.

The brown and green routes are unthinkable. We hear about the wonderful proposal that there should be a tunnel under Saltaire. I do not know about the cost, but I know about the upheaval and desecration which cannot be contemplated. The pollution that it would create is a separate issue which I do not have time to develop tonight.

I do not know what our councils are playing at. At the last inquiry it was argued, in favour of the new road, that the increase in traffic would be 1 per cent. per annum from 1975 onwards. Yet through Manningham, where they claim that they are trying to avoid increased traffic, there has been a 1 per cent. increase since the inquiry.

Even their own publications do not help their case. We are not talking about a commuter belt in the most opulent part of Surrey or even opulent parts of Yorkshire or Cheshire. In the last census *City Trends* shows that car ownership has declined by 10 per cent. in the last 10 years. The area is bottom of the list of areas with households

which do not have a car. Apparently 49·5 per cent. of households in the area do not have a car. Recent announcements claim that the mileage of private car owners decreased by one third.

There is only one solution, and it is not the amended yellow route. I am talking about inspector Chance's route 33. He had the right solution. Everyone accepts that it is a local traffic problem. The access and exit points would not be ideal for the bulk of the traffic.

What happens during school holidays? At peak times there are problems, but there are no problems at times when traffic is not excessive. I do not disagree with the Department's suggestion that round Cottingley Bar there may be flexibility. Recently Mr. Chance said that the Department of Trade and Industry did not suggest his route, and that the last thing he wanted was to leave traffic with the only option of going through the middle of Shipley. The traffic must have a choice of turning left, going straight on on the A650, or of turning right up Cottingley New road.

I could make many suggestions of ways to improve the traffic flow. Problems are caused only on three major junctions and one roundabout. Much could be done to improve that with a little foresight. The truth is that other road schemes should come first. At the last inquiry an assurance was given that the construction of the Bingley to Baildon section would not be permitted until the Shipley eastern bypass had been approved.

The Minister's Department would do well to consider the congestion in Bradford. A Bradford inner ring road should be constructed. We should also consider the dualling and upgrading of Valley road and Canal road, and the construction of the Shipley eastern bypass. Furthermore, we should proceed with the remainder of the Airedale trunk route terminating at Cottingley Bar.

There is a limit to what can be sacrificed to traffic. Our heritage and environment are priceless. The problem with the Bingley to Shipley section is that, given the lie of the land and concentration of housing, it is impossible to build a new road along the valley bottom without totally unacceptable long-lasting environmental and social damage.

I have received hundreds of letters from my constituents about the matter, among which is one from a constituent who lives at 261 Bingley road, Saltaire. He wrote:

"As a resident on the existing A650 earning a living driving lorries throughout Bradford and the Aire Valley, I can in no way find any justification for either the expense of the new road or what I regard as the desecration of a most beautiful and unique area."

12.32 am

The Minister of State, Department of Transport (Mrs. Lynda Chalker): I am grateful to my hon. Friend the Member for Shipley (Mr. Fox) for the opportunity to discuss the Aire Valley trunk road. I have listened to his speech with great care. I am fully aware of the beauties of Saltaire, as I have visited it. I also know what a difficult valley it would be, especially its eastern end, in which to lay a road.

Our commitment to the Airedale route has not changed. I look forward to the day when we can make a start on the new road where it is needed. However, we need to improve conditions for many communities along the existing road, because for a long time local people have suffered. We want a safer road for all users and a better route for the traffic with improved access for industry.

I know that progress has been slow. I well understand some of the impatience expressed during the years. With the public inquiries in 1975 and 1980 and the inquiries into side roads and compulsory purchase orders, which have been held but on which decisions have not yet been announced, the matter has taken its natural course through our public inquiry procedures.

It is difficult with any valley road to locate it so that it offends no one. Space is limited, and the environment is truly sensitive. That is another reason for the slow progress. In 1982 a firm decision was taken on the road from Kildwick near Skipton to Keighley, and from Keighley to Bingley. I know how keen my hon. Friend the Member for Keighley (Mr. Waller) is that those sections should be built, and I believe that my hon. Friend the Member for Shipley agrees with that. I am glad to repeat the assurance that I gave on 6 May 1983 that the Aire valley road will not end in what is now a car park at Bingley. We must resolve what happens thereafter.

The key decision, as my hon. Friend said, will be the line of the road to the east of Bingley. May I explain the background to the public consultation that took place in 1984 about the section of the route that rightly concerns not only my hon. Friend the Member for Shipley but my hon. Friend the Minister of State, Home Office—the hon. Member for Pudsey (Mr. Shaw)—who has had to return to his Committee, and many of their constituents. I understand what it must be like for people in Saltaire and neighbouring areas to hear about various ideas and not to know whether they will be pursued. I am only too well aware that, in trying to obtain an acceptable solution, one runs the risk of the various options causing concern to residents in the area. We must end that as soon as we can. Since 1982, we have said that the new road will end at Cottingley Bar and that with the local authorities we shall reconsider ways of solving the traffic problems in Shipley and Manningham. My hon. Friend was right to say that before we can consider the Shipley eastern bypass, we must decide what will happen on the way there from the Aire Valley route.

What happened—it took some time—was that a joint working party was set up with West Yorkshire metropolitan county council and Bradford metropolitan district council to consider the problems. Surprise, surprise: they discovered that there were no easy solutions. They came up with some alternative routes for the section. I have made it clear all along that I am prepared to consider anything that is fresh and acceptable. That is why we went to a joint exhibition—not without some anxieties, I freely admit. We believed it right to give local people a further opportunity to offer their views on the schemes put forward by the councils.

Three routes were proposed. The yellow route, which ended at Cottingley Bar, was similar but not identical to that recommended by Inspector Chance following the 1980 inquiry. The working party believed that that was, on the whole, an improvement. It put forward two other routes that passed through the corridor to the north of Saltaire and Shipley, the green one ending at Baildon and the brown one ending at Shipley. They were not the Department's routes; they came from the working party that was seeking a solution. Most importantly, we wished to discover whether anyone had fresh ideas to deal with the problems of this most difficult section. It is important to stress that this consultation does not mean that the 1982

[Mrs. Lynda Chalker]

decision has been set aside. We are trying to find a way of dealing with the traffic once it gets to Cottingley Bar, and I know that my hon. Friend is aware of that.

We have had a strong public response in the form of completed questionnaires, letters to me personally, and petitions, as a result of our consultation. We have not yet finished collating all the details that have been sent, but we shall do so as quickly as possible. It is clear that many people have deep feelings and that there is much anxiety about the matter. Therefore, we must come to a decision as soon as possible. However, I wish to ensure that all representations are considered. I wish to consider the precise alignment recommended by Inspector Chance before we come to a conclusion on a preferred route beyond Cottingley Bar.

I remind my hon. Friend of our correspondence about Bradford and Bingley rugby football club, starting on 27 March last year. The club is worried about what happens at Cottingley Bar, because that is where its playing fields are. I have also three times extended the time for the responses to the suggestions. In October last year, west Yorkshire and Bradford councils came forward with a fresh option, the so-called modified green route.

Many representations have been made about this route, and I am well aware of the concern. I take this opportunity to thank the hundreds of people and organisations who have responded. I hope that my hon. Friend will pass on my thanks to every individual and in particular to the Aire valley preservation society, the Saltaire village society, the Coach road and Lower Baildon residents association and, more recently formed, the sports clubs against the road. All of these bodies have put their views clearly. They have put in a lot of effort, and we now have what we were seeking from consultation—an expression of views and a response from both local authorities and the public.

I shall now be required to exercise the judgment of Solomon, and I am not in a position to do so at this hour of the night. However, despite the weight of representation, I am determined that we shall announce a decision as soon as possible, and I hope to be able to talk to my hon. Friend and announce a decision as soon as possible. That is my aim and I shall do my best to keep to it.

Not only should we be ending the uncertainty we need to make progress on the other sections, and so much of that depends on the route east of Bingley. In particular, there is the section to the east of Crossflatts, where a decision on advance works to Bingley is outstanding. In November 1983 there was a public inquiry, but no announcement will be made on the preferred route east of Bingley, because that is the fair way to go.

Other Airedale decisions are outstanding. A public inquiry into side roads and compulsory purchase orders has to be sorted out. I shall not anticipate the outcome, but I am anxious to make a tangible beginning. I confirm again our commitment to improving conditions in Airedale, and also to making the right decisions because of the understandable sensitivity of a historic community in Saltaire and the area. I hope that my hon. Friend will accept how much I value the keen interest that he and my hon. Friend the Member for Pudsey have shown in the matter. I am concerned not only about the protection of the environment, but about all the particular interests. I have a great sheaf of letters of cases that hon. Members have raised with me.

I recognise that the advance works proposed and the works on the main route through Bingley will cause parking problems. Therefore, the concern expressed to my hon. Friend the Member for Shipley by the Bingley chamber of trade is understandable. Obviously, the Department will pay appropriate compensation to owners for loss of land, but Bradford council will have to provide the necessary replacement car parking if any is taken away. We shall continue to discuss the problem if the council and my hon. Friend find that valuable.

I have mentioned Bradford and Bingley rugby club. It is too early to decide whether it will be affected in any way, but I have noted its views, as I have noted those of Mrs. Sharp of Cottingley Bar, and so many of the others who have written to us. The next step will be to announce the preferred route decision. Only after that can we begin the detailed preparation of the chosen route with the aim of publishing proposals as soon as we can. I cannot say when that will be, but I must emphasise that, whichever route is chosen, people will have another opportunity to comment and, if they wish to, object or propose alternatives.

I assure my hon. Friend that the many and varied interests that he has so cogently put forward on behalf of his constituents will be taken fully into account in reaching both the decision immediately before us and those that will subsequently follow. I hope that that will help and that we shall come to a decision as soon as we possibly and fairly can.

Question put and agreed to.

Adjourned accordingly at sixteen minutes to One o'clock.

House of Commons

Wednesday, 16 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

Skillcentres and Jobcentres

1. **Mr. Strang** asked the Secretary of State for Scotland what discussions he has had with the Manpower Services Commission in Scotland about its plans to close skillcentres and cut staff at jobcentres; and if he will make a statement.

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan Stewart): I attended the meeting of the Manpower Services Committee for Scotland on 10 September at which the development of the employment service was among the matters discussed and joined my right hon. Friend the Secretary of State for Employment and other ministerial colleagues in meeting members of the Manpower Services Commission in London on 6 December on this subject. My right hon. Friend the Secretary of State for Employment announced the Government's acceptance of the commission's final recommendations on 9 January in his reply to my hon. Friend the Member for Darlington (Mr. Fallon). The commission has not yet completed its consideration of the Skillcentre Training Agency's latest business plan.

Mr. Strang: Is it not outrageous that, when hundreds of thousands of Scots are unemployed through no fault of their own and the Government should be providing more training and help, they are planning to close two skillcentres and three skillcentre annexes and to cut 70 jobcentre staff whose job it is to help the unemployed find work?

Mr. Stewart: No, not at all. We are expanding the number of jobcentres in Scotland by a total of seven, including two in Edinburgh, in Corstorphine and Lady road. I emphasise that by tailoring provision to employment need, the Manpower Services Commission will assist more people. The figure this year of 9,600 will be increased to 17,000 in 1985-86.

Mr. Millan: Will the Minister ensure that no decision is taken by the MSC or Ministers to close skillcentres before the Select Committee on Employment reports and before there is a debate in the House? Will he also ensure that the MSC does not pre-empt any decision, as it has for example in Govan, by running down courses and selling off machinery at knock-down prices? Does the Minister agree that what is happening there and elsewhere is a scandal?

Mr. Stewart: As the right hon. Gentleman knows, debates in the House are not for me to decide. Unquestionably, there is over-capacity in the provision of the skillcentre network in the west of Scotland. I am, of course, aware of the Select Committee's investigation.

Mr. Bill Walker: When considering the future of skillcentres, will my hon. Friend take into account whether jobs are available in the skills for which training is given? Surely it is nonsense to train people in skills for which jobs are not available. Will my hon. Friend also take into account the facilities and spare capacity in private companies and Government-owned bodies which could be used to train people? Is the MSC directing its attention to that aspect?

Mr. Stewart: Yes, my hon. Friend is right. It is sensible for skillcentre courses to reflect what industry wants. That is my hon. Friend's point. My hon. Friend is also right to say that the MSC believes that there should be a variety of providers of relevant, cost-effective courses.

Mr. Craigen: Will Scotland's industry Minister tell us how, with almost 350,000 unemployed, he can meekly sit back and allow skillcentres to close, especially when the Scottish CBI says that there are shortages in skilled labour? Moreover, does the Minister think it satisfactory that the jobless in Scotland should be left to rely mostly on self-selection procedures? Is that not really the nature of the new schemes resulting from the cut in jobcentre staff?

Mr. Stewart: No, not at all. As I have already explained, there will be more jobcentres and the level of service will be maintained by travelling staff, the streamlining of procedures and modern technology.

I should have thought that the Opposition would accept the general proposition that it is absurd to waste resources at skillcentres. There is a capacity for 1,980 places, of which 1,234 are in use. If the proposals are implemented, there will be 1,360 places. We must use resources effectively.

As I said to the hon. Member for Edinburgh, East (Mr. Strang), the result of the proposals will be an increase in the number of people in Scotland being assisted with training.

Teachers (Pay)

2. **Mr. Douglas** asked the Secretary of State for Scotland if he will make a statement on the progress of discussions in relation to teachers' pay in Scotland.

5. **Mr. Donald Stewart** asked the Secretary of State for Scotland if he will make a further statement on teachers' pay.

8. **Mr. Wilson** asked the Secretary of State for Scotland if he will make a further statement on teachers' pay.

The Secretary of State for Scotland (Mr. George Younger): I wrote again on 8 January to the teachers' side of the Scottish joint negotiating committee for teaching staff in school education inviting it to give further thought to my earlier proposal that the SJNC should undertake a detailed examination of salaries and conditions of service together. I understand that the SJNC decided yesterday to

make a joint approach to me for a meeting. Although I have not yet received this letter, I shall, of course, be glad to meet its representatives.

Mr. Douglas: Does the Secretary of State agree that the mantle with which he seeks to cloak himself—that of generous George—is wholly misplaced? Is it not true that under the Conservative Administration teachers' pay in Scotland has fallen far below the level that they would expect? Is it not a farce to suggest that the Government have no responsibility for ensuring that teachers' pay keeps up with rather than falls behind the level of inflation? Is he aware that he has managed to unite all the teaching forces in Scotland against his Government?

Mr. Younger: I do not accept the hon. Gentleman's calculation and figures. However, I fully appreciate that teachers feel very strongly about what they perceive to be injustices, and about which they are currently complaining. By far the most reasonable way to deal with the problem is to ask the body set up for the precise purpose of considering pay and conditions of teachers to investigate the complaints.

Mr. Donald Stewart: Why is the Secretary of State surprised by the action of the Scottish teachers after 10 years' erosion of their salary levels and what they have found to be the futility of dealing with Scottish Office Ministers? Is he aware that, far from playing the role of generous George, he is playing the role of General Jaruzelski in making the teachers dance to the tune of another country? The surprising factor is the forbearance of the teaching profession in Scotland.

Mr. Younger: I cannot agree with the right hon. Gentleman. When comparing teachers' salaries since 1979 with other grades—something that they purport to do—they have had similar rates of increase to other local authority employees and civil servants. Therefore, the right hon. Gentleman does not have a strong point.

As I keep saying, I have not turned down their complaints out of hand. I have suggested a way forward, and I hope that, rather than disrupt our schools, the teachers will accept my suggestion.

Mr. Wilson: The Secretary of State says that he has not turned down the teachers' claim out of hand. In his letter of 11 December he said that he would consider the proposals

"on their merits and in the framework of the Government's existing public expenditure plans"?

Is not the reason why he cannot go ahead with an independent pay review that he has orders from the Treasury not to impede the Government's giveaway of taxation money orginally planned for Easter?

Mr. Younger: I suppose that the teachers' employers are in exactly the same position as every other employer throughtout the country. If they are considering what they can give in wage increases to their employees, they must consider the resources that they have available. I do not see anything unusual about that.

Mr. Henderson: Is my right hon. Friend aware that some teachers have made comparisons between increases in their pay and the pay of Members of Parliament? I have obtained from the Library the comparative figures for the 10 years from 1974. They show that, compared with the increase in the retail prices index, teachers's salaries have risen by 7 per cent. while the salaries of Members of Parliament have declined by 20 per cent. Does my right hon. Friend agree that a more realistic comparison would be with teachers' pay south of the border? Does he recognise that the responsible settlement made last year by Scottish teachers should be fully taken into account, especially as the militancy in England achieved a slightly larger settlement? Should we not reward those who take a responsible attitude, rather than the militants?

Mr. Younger: I am interested in my hon. Friend's comparisons, to which I shall not add, except to say that it might be interesting to discover the reaction of teachers to trying hon. Members' hours of work.

Mr. Maxton: Does the Secretary of State remember that on television just before Christmas he said that to give an independent inquiry into teachers's pay would be to give a blank cheque to the Educational Institute of Scotland? Was that not an admission that the teachers' case is recognised fully by him and that is why he will not have such an inquiry?

Mr. Younger: Not at all. A blank cheque can have any figure, high or low, put on it.

Lord James Douglas-Hamilton: Is my right hon. Friend aware that there is concern about whether re-sits in O-grade mathematics and English will take place in future? Will this point be borne in mind in any discussions?

Mr. Younger: I appreciate the point that my hon. Friend makes. It is an important matter, which is under consideration, and I hope to announce a decision shortly.

Mr. Dewar: It is no good Ministers deploring the damage that may come from industrial action when the right hon. Gentleman's obstinacy lies at the root of the problem. Leaving aside the curious comparison with so unrepresentative a grouping as Members of this House, does the right hon. Gentleman agree that his refusal to accept an independent pay review is, in a sense, a tacit acceptance that teachers' salaries have fallen behind comparable groupings and do not measure up to the responsibilities of the job?

If the right hon. Gentleman is right in saying, as he consistently maintains, that teachers have done reasonably well out of recent pay negotiations, why is he frightened to set up an independent pay review, thus risking plunging us into a great deal of disruption and difficulty for pupils? Will he reconsider his proposition that any uprating in salary can be bought by the teachers' profession only at the expense of their terms and conditions of employment?

Mr. Younger: I am glad to hear the hon. Gentleman say critical things today about the damaging of the service, because that seems to be an absolutely deplorable development—*[Interruption.]* I hope that, as we all have the interests of schoolchildren in mind, now that I have agreed to have the meeting which the Scottish joint negotiating committee has requested, I can take it that disruption of schools will stop, at least until after that meeting has taken place.

The hon. Gentleman's supplementary question gives me an opportunity to make it clear, yet again, that, although I might have done so, I have not turned down the teachers' case out of hand. The impression has been given that I have, but I have not. I have disagreed with the method by which they asked for their case to be considered, but I have pointed to a way forward by which

all these matters, including conditions of service, can be looked into. Rather than bust up the education of our children, we should take that way forward and try to get this matter discussed.

Coal Supplies

3. **Mr. Foulkes** asked the Secretary of State for Scotland what steps he has taken since the begining of the mining dispute to ensure adequate supplies of coal for schools and hospitals in Ayrshire.

Mr. Allan Stewart: Throughout the strike the National Coal Board and the coal trade have worked in close co-operation with Strathclyde regional council and Ayrshire and Arran health board to provide adequate supplies of coal for schools and hospitals in Ayrshire. Towards the end of last year action by pickets interrupted the movement of coal in Ayrshire and this irresponsible action led to some school closures. At no time were Ayrshire hospitals affected.

Arrangements have been concluded between the National Coal Board and Strathclyde regional council to rebuild stocks and maintain deliveries, and I understand that coal supplies are now returning to normal.

Mr. Foulkes: I am grateful to the Minister for that answer. Is he aware that, because I telephoned Mr. MacGregor, chairman of the NCB, on this issue, I was telephoned early in the morning by the Scottish director of the NCB to complain at my having had the audacity to phone the chairman? Quite apart from any question of privilege — there may well be one — do not serious doubts arise about the management structure when the director of the Coal Board in Scotland can say to me that he does not accept instructions from his chairman? Does that not underline our call that there is a need for an inquiry into the way in which Wheeler is running the Coal Board in Scotland, which is like that of a tinpot dictator?

Mr. Stewart: The hon. Gentleman was floundering to a remarkable extent, even for him. It was surprising to hear some of his comments in the light of his advocacy on devolution in other contexts. I was not privy to any of the telephone calls to which he has referred, but I am sure that many people will have read press reports about the hon. Gentleman's praise for the chairman of the NCB.

Mrs. McCurley: Does my hon. Friend agree that the best way to ensure adequate supplies for Ayrshire schools and hospitals is to exhort Scottish miners to return to work and end this futile strike?

Mr. Stewart: I agree entirely with my hon. Friend. I can tell her that 850 more Scottish miners have done precisely that since the recent holidays.

Mr. McKelvey: Is the Minister aware that the coal was prevented from being moved to the hospitals and schools by the pickets because the administrator of the Coal Board in Scotland, Mr. Wheeler, instructed the coal to be moved by scab lorry drivers, which was unnecessary and provocative? It was only when the local and agreed lorry drivers were allowed to move the coal that things returned to normal. Throughout the whole of the disagreement and strike, the miners, by agreement, have allowed coal to go to Ayrshire hospitals and schools.

Mr. Stewart: It is hypocrisy to criticise the NCB and its workers for wanting to do their normal jobs and to excuse pickets who seek to prevent that from taking place.

Teachers (Pay)

4. **Mr. Home Robertson** asked the Secretary of State for Scotland what representations he has received about his decision not to set up an independent review of teachers' pay.

6. **Mr. Norman Hogg** asked the Secretary of State for Scotland how many representations he has received on teachers' pay since his decision not to set up an independent inquiry into teachers' pay and conditions.

Mr. Allan Stewart: Since my right hon. Friend responded on 11 December to the request by the teachers' side of the Scottish joint negotiating committee for an independent pay review, he has received some 450 representations.

Mr. Home Robertson: Will the Minister confirm that he has received a set of eminently reasonable representations from my constituent, Mr. John Pollock? Is he aware that I have received a substantial number of representations from parents and teachers in every part of my constituency and that every one of them has supported the EIS claim for a fair and independent review of teachers' pay and conditions?

Mr. Stewart: I am interested to learn that Mr. Pollock is a constituent of the hon. Gentleman, but I do not think that that is a matter on which I should comment either way. In replying to the representations that my right hon. Friend has received, he has said that the SJNC could undertake a detailed review of pay and conditions of service. It has been established for about three years and its remit would include such a review, which has not yet been undertaken. That is a reasonable position for the Government to take.

Mr. Hogg: As the Minister's reply confirms that there is no public support for the decision that his right hon. Friend the Secretary of State has taken — there is no support among the profession or by parents for his own much-vaunted initiative in this matter — does he agree that he has no case and that he should give instructions for an independent inquiry to take place without further delay, and thereby end any prospect of disrupton in the schools?

Mr. Stewart: Teachers' pay has increased broadly in line with that of other local authority employees. During the four years from 1979 teachers' pay increased by 74 per cent. while social workers' pay increased by 63 per cent. I am surprised at the hon. Gentleman's statement. His former colleagues in NALGO would be surprised to hear him argue that teachers merit special and unique treatment not available to other local authority employees.

Sir Hector Monro: Does my hon. Friend accept that it is important for this issue to be resolved as soon as possible? Will he confirm that the joint negotiating committee will be able to consider all the issues relating to teachers' pay and conditions of service? We hope that that body will report quickly to my right hon. Friend the Secretary of State, who can then reach a conclusion.

Mr. Stewart: I confirm that the SJNC's remit covers pay and conditions of service. As my right hon. Friend the Secretary of State told the House in answer to an earlier question, he is prepared to meet the SJNC in the near future to discuss this matter.

Mr. Johnston: Is the Minister aware that it is still difficult to understand why the Secretary of State has

refused to set up an independent pay review? Obviously, such a review would not be mandatory. Clearly, an objective analysis would allow a fair solution to be found more easily. Such an analysis would avoid the inflaming of feeling—such as we have seen already—the bust up that the Secretary of State has just criticised, and gratuitous damage to our children's education.

Mr. Stewart: It would not be right to pass the job of making recommendations to an ad hoc group which had no responsibility for implementing them. Established machinery can undertake such a review, and I believe that that is a perfectly sensible proposition.

Mr. O'Neill: Does the hon. Gentleman appreciate that, apart from the purely financial aspects of a strike, the Minister's intransigence is jeopardising the valuable work that has been done in developing the standard grade? That work has been done without extra salaries being paid to the teachers involved. The teachers are now saying that enough is enough and they want to be paid for the work they have done. They feel that they, as opposed to the other professions in Scotland, are entitled to be rewarded for that work.

Mr. Stewart: My right hon. Friend has made provision for the extra work load carried in developing the standard grade. Last week we announced further extra assistance for the teachers involved in phase one. I deplore the disruption that has occurred during the introduction of the standard grade. It is ironic that the EIS asked the Government to speed up the implementation of the standard grade, and that the teachers are now disrupting reforms which are widely agreed to be desirable in the interests of Scottish people.

Mr. Malone: Is my hon. Friend aware that it is desirable that pay and conditions should be linked in any negotiations? Is it not therefore disgraceful that the EIS has rejected out of hand an offer to discuss conditions? Will my hon. Friend clear up a misconception felt by many of my constituents—a misconception that appears to be shared by the hon. Member for East Lothian (Mr. Home Robertson)—namely that the EIS wants an independent review of pay and conditions? The EIS is interested only in pay.

Mr. Stewart: My hon. Friend is right to say that EIS has asked for an independent review solely of pay. That request constrasts with the early-day motion tabled by some Opposition Members which relates to pay and conditions of service. I believe that it is perfectly reasonable to link pay and conditions of service and to conduct a detailed review of both within the existing collective bargaining machinery.

Mr. Ewing: Is it not a fact that the Under-Secretary of State wants to review pay and conditions in the context of the Government's pay policy—in other words, to get the best out of teachers' conditions and to give the worst return to teachers in the form of salaries? Is the hon. Gentleman aware that the blame for the disruption in Scottish education lies firmly at his door and the door of the Secretary of State? In view of that, will the Minister confirm that when the Secretary of State goes to the SJNC meeting he will go to negotiate and not, yet again, to dictate?

Mr. Stewart: My right hon. Friend will, of course, listen carefully, as he always does, to the points that the SJNC put to him. Disruption in Scottish schools lies firmly at the door——

Mr. Robert Hughes: Of the hon. Gentleman.

Mr. Stewart: —of those who are causing the disruption. I hope that Scottish teachers will realise that that disruption does not just cause damage to the education of Scottish pupils, but it cannot possibly do the teachers case any good.

Glengarnock Steelworks

7. **Mr. Lambie** asked the Secretary of State for Scotland if he will meet the chairman of British Steel to discuss the recent announcement on the future of Glengarnock steelworks.

Mr. Younger: I met the chairman of the British Steel Corporation on 29 November, when we had a wide-ranging discussion of the corporation's activities in Scotland. I have no plans for a further meeting in the near future.

Mr. Lambie: I appeal to the Secretary of State to meet the chairman of the British Steel Corporation again to discuss the case for retention. It will be supported at a meeting tomorrow with his hon. Friend the Under-Secretary of State, the Member for Eastwood (Mr. Stewart), by the steel workers' acting committee and councillors from Strathclyde and the regional council. It will show that Glengarnock steelworks can be viable, competitive and profitable if given a chance.

Mr. Younger: As the hon. Gentleman will be aware, I am worried about this matter. I am glad that my hon. Friend is meeting those representatives tomorrow. I know that he is looking forward to hearing the case that they put forward.

Mr. Corrie: If my right hon. Friend meets the chairman of the British Steel Corporation again, will he point out that it will cost more to close the works than to keep them open? Is my right hon. Friend further aware that with its new proposals the work force is pricing itself into jobs by cutting costs in line with Government policy, to its own detriment? If the British Steel Corporation is determined to close these works and get rid of Glengarnock, will he suggest that they should be kept open to give a private buyer a chance to see whether the first-class work force can keep its jobs?

Mr. Younger: I am grateful to my hon. Friend for keeping me so closely informed of his constituents' anxiety about this matter. The decision to close, which I greatly regret, is one entirely to be made as an operational matter by the British Steel Corporation. There is no doubt about the commitment of the work force. I am sure that the facts and figures that it will produce will be listened to with the greatest of interest by my hon. Friend and the British Steel Corporation.

Mr. Dewar: May I take up strongly with the right hon. Gentleman the point that he made about it being an operational decision for the British Steel Corporation? If that is the Government's final view, I fear that the works may have a short future, because the British Steel Corporation seems determined, despite the far-reaching

and imaginative proposals which will eliminate the current deficit in the plant, to continue with its closure plans. Will the Secretary of State try to persuade his colleagues and himself, sadly, in view of what he has just said, that the Government cannot shelter behind the concept that it is a bold management decision by the British Steel Corporation, given the impact that the loss of a further 200 key jobs will have on an area of high unemployment? I hope that he will reconsider the matter, because if he does not the outlook is black.

Mr. Younger: I sympathise with the whole position, of course. I do not accept, and nor would his own Government, the hon. Gentleman's point that this is anything other than an operational decision for the British Steel Corporation. That has always been the way that such matters have worked. We cannot appoint people to manage an industry and then second-guess them on everything that they do. For that reason the representations should be made to the British Steel Corporation, and I know that that is where they will be made.

Dornoch Firth and A9

9. **Mr. Maclennan** asked the Secretary of State for Scotland if he will seek to accelerate the construction of the Dornoch Firth crossing and the improvement of the A9 through Caithness and Sutherland.

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): My Department is already proceeding as quickly as possible with preparations for the Dornoch Firth crossing and other improvements on the A9 through Caithness and Sutherland. Progress will depend upon the resolution of objections to published proposals and on the extent to which funds can be made available within the Scottish trunk road programme.

Mr. Maclennan: Is the Minister aware that today the unemployment levels in Sutherland are higher than anywhere in Scotland? Is he also aware that the A9 road north of Tain is a woefully inadequate arterial road which needs capital expenditure urgently, that almost no spending is planned for it in the next financial year? Does he realise that by starting the Dornoch Firth building works he could cut unemployment in Sutherland and Caithness by 10 per cent. and give a filip to the long-term future of the local economy?

Mr. Ancram: I do not know where the hon. Gentleman got his information about no projected spending on the A9. In the years 1985 to 1989 there are seven improvements planned for the A9 north of Dornoch, at a cost of about £11 million, and six improvements planned for the road south of Dornoch, also at a cost of £11 million. Obviously, the bridges will be of benefit, not only to travellers on the A9 but to local people. I hope that the hon. Gentleman accepts that it is a large and costly scheme requiring extensive design work, and that it will make a very big claim on the resources available.

Mr. Michael Forsyth: Does my hon. Friend, in considering improvements to the A9, ensure that priority resources are given to the Dunblane bypass? Will he be in a position shortly to announce the line of route?

Mr. Ancram: I congratulate my hon. Friend on using the opportunity to press, as he does so assiduously, the interests of his own constituency with regard to that bypass. As he appreciates, we have said that that bypass will be built in due course. Obviously, we are not yet in a position to announce the line.

Mr. Ewing: Does the Minister agree that the interest of the hon. Member for Stirling (Mr. Forsyth) in improving the bypass from Dunblane is to allow him to make a quick getaway?

Mr. Ancram: I think that my hon. Friend's concern is to see communications improved right across Scotland. I know that that has never been of particular interest to the hon. Member for Falkirk, East (Mr. Ewing).

Airports (Privatisation)

10. **Mr. Bruce** asked the Secretary of State for Scotland if he will make a statement on the implications for Scotland of the privatisation of Scottish airports.

Mr. Ancram: The Government's aim is to ensure adequate airport capacity, provided as efficiently and cost-effectively as possible, to meet Scotland's needs. Particular proposals for privatisation will be pursued with this objective in mind.

Mr. Bruce: Will the Minister acknowledge that the management of the four main airports in Scotland by the British Airports Authority has been of considerable benefit, and that the retention of that management group and the link with the BAA will continue to be of benefit to Scottish people? Is the Minister aware that, in the particular case of Aberdeen airport, Grampian regional council — which, as the Minister knows, is Conservative-controlled—has expressed doubts as to the case for privatisation?

Mr. Ancram: The hon. Member must be aware that no decisions have yet been taken concerning privatisation of the BAA airports in Scotland, and at this time it would be improper for me to speculate on how that might happen.

Mr. Robert Hughes: Is the Minister aware that there is no case whatever for privatising the airports? Will he further accept that the majority opinion is that the four major airports in Scotland should not be sold off as an entity but as a group which contains Heathrow, otherwise business will be very seriously disrupted?

Mr. Ancram: The hon. Member is obviously trying to get me to speculate in a way that I have just said I will not do. I remind him that privatisation often creates greater efficiency and savings for those who use the services.

Lord James Douglas-Hamilton: Will my hon. Friend bear in mind that the Sottish airports run by the CAA in the Highlands and Islands and by my constituents in the CAA headquarters in Edinburgh, West and elsewhere in Scotland are run very economically, bearing in mind the essential lifeline service that they provide, and that it is extremely unlikely that any other body could run them as economically in the circumstances?

Mr. Ancram: My hon. Friend is also pre-empting decisions that have yet to be taken. Obviously, we shall be testing, and are indeed testing, the market for the proposition at the moment.

Mr. Wallace: The Minister will be well aware that in a written answer given to me by the Department of

Transport earlier this week it was indicated that the Scottish Office, along with others, was considering proposals for six airports in the Highlands and Islands. Is there a distinction between the proposals and firm offers for sale, which were due in by 31 December last? If so, what is that distinction?

Mr. Ancram: A number of offers and inquiries have been received and are being considered. Obviously, those offers and inquiries differ one from the other.

British Leyland, Bathgate

11. **Mr. Dalyell** asked the Secretary of State for Scotland if he will make a statement on his latest discussions on the future of British Leyland, Bathgate.

Mr. Allan Stewart: As the hon. Member will be aware from the answer that I gave him last month, my right hon. Friend and I are doing everything that we can to find a successor enterprise for the British Leyland plant at Bathgate, and to create new job opportunities for the West Lothian area.

Mr. Dalyell: Is Mr. Charles Nickerson getting every encouragement from the Scottish Office?

Mr. Stewart: I can confirm that my officials keep in regular touch with both of the companies that have been mentioned, and have been in contact within the past few days.

Mr. Robin Cook: When the Minister examines what he can do for job opportunities in West Lothian, will he bear in mind the fact that in 1980 West Lothian received £7 million in housing and rate support grants, and in 1986 it will receive the grand total of £700,000 from both sources? Does the hon. Gentleman not realise that that sharp drop in outside support will gravely hinder the district council in responding to the tragedy of Bathgate and mean fewer jobs in West Lothian?

Mr. Stewart: I am a firm supporter of the Government's housing policies. I thought that the hon. Member for Livingston (Mr. Cook) would mention one of the most important factors in the West Lothian situation, which has been the outstanding success of the new town in attracting a wide range of new companies and providing job opportunities for people not just in Livingston but from elsewhere in West Lothian.

Mr. Tom Clarke: Does the Minister agree that it is absurd that there should be any doubt about the future of the plant, in view of the demand for those vehicles in Third world countries? Does he accept that there is an urgent need for a meeting between his right hon. Friend the Secretary of State for Scotland and the Minister for Overseas Development so that a conclusion can be reached that would be helpful to the workers of Bathgate as well as those who are starving in developing countries?

Mr. Stewart: The point is that the overseas demand for Leyland's products has declined sharply in recent years. It is true that there has been a marginal improvement in demand recently, but British Leyland has more than enough capacity at its Leyland plant to accommodate even substantially increased demand for trucks.

Mr. Ewing: Is the Minister aware that the Nickerson proposals have the full support of the shop stewards at the British Leyland Bathgate plant? Will he give the House an assurance that the matter will be brought to a conclusion as speedily as possible to remove the uncertainty, not only from the British Leyland plant at Bathgate, but from the whole of that local authority area, which is suffering badly as a result?

Mr. Stewart: I can assure the hon. Gentleman that we are as anxious as anybody else to reach a satisfactory conclusion. I can confirm that my Department is in close touch with Mr. Nickerson.

Rural Bus Services

12. **Mr. Kirkwood** asked the Secretary of State for Scotland if he will make a statement on the effect of planned Government legislation on Scottish rural bus services.

Mr. Ancram: Under existing policies many services have been curtailed or withdrawn. Our proposals offer the prospect of better services by removing outdated restrictions and encouraging operators to offer new ways of meeting needs. To overcome any transitional difficulties a rural bus grant will be available to all operators of rural services for a four-year period and an innovation grant scheme will encourage the development of new initiatives.

Mr. Kirkwood: Is the Under-Secretary of State aware that officials in his Department revealed recently that an internal departmental study shows that, whereas there might be savings in subsidies in the Lothians and Strathclyde, in the rural areas of Scotland local authorities will eventually have to pay more in subsidies? I challenge the hon. Gentleman to publish that survey so that we can look at the facts. Can he give the House an assurance that if, eventually, that transpires to be the case and rural regional authorities in Scotland have to pay more in subsidies, he will make sure that the finance is made available rather than allow routes to contract further?

Mr. Ancram: The hon. Gentleman sounds as if he believes that the bus industry and the use of buses in Scotland, particularly in the rural areas, is increasing. Perhaps some of his comments on the matter would stand in a better light if that were so, but we are working against a history of decline in bus usage and in the whole bus industry in Scotland, particularly in the rural areas. I believe that by putting the subsidised routes out to tender efficiency will be increased and a better service will be provided at a better cost.

Mr. Henderson: Is my hon. Friend aware that there has long been anxiety about the quality of rural bus services and that the announcements that he has made will be very welcome to those who live in rural areas? Is he aware that the result of an experiment in deregulation in Herefordshire was to reduce subsidy, to increase services and to reduce fares, which is surely what we want?

Mr. Ancram: I am grateful to my hon. Friend for bringing that example to the notice of the House. If subsidised routes are put out to tender, and if they are efficiently run at present and are as cost-effective as possible, obviously those same operators will continue, but if there is a better and cheaper way of running them, tendering will provide that.

Mr. Steel: Before the Secretary of State comes to any final conclusions on the matter, will he undertake to examine the financing of the two community bus services

that exist in Scotland, one in the constituency of my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood), and one in my constituency, recognise what a cost-effective and inexpensive way this is of providing a service, and consider the assistance that he could give with replacement vehicles?

Mr. Ancram: The right hon. Gentleman makes a good point, and it is certainly a point that was part of the White Paper published by the Government, that innovation and new ideas, particularly in rural areas, are important. Indeed, he has examples in his own constituency and in his own area of such ideas providing improved services. It is for that reason, as I have already said, that we shall be introducing an innovation grant scheme to try to encourage further such ideas.

Mr. Bill Walker: Does my hon. Friend agree that in Scotland in particular the rural bus service has been in savage decline for 25 years? Many parts of my constituency are not served by any public transport. Therefore, to continue with the status quo could only mean fewer and fewer services being made available to my Highland constituents. The proposals that the Government are making are therefore an attempt to reverse this declining situation.

Mr. Ancram: I am grateful to my hon. Friend for making that point so strongly. It is precisely because we have been faced with a history of decline in the bus services—and as constituency Members most of us will know from the complaints we receive that people are not satisfied with the bus services they have at present—that we believe that our proposals offer the one opportunity of reversing that trend. It has been noticeable that in all the criticism that has been made of the White Paper not one alternative idea for improving bus services has been put forward.

Mr. Millan: The Minister said that it is his belief that the proposals will lead to an improvement in bus services. However, the fact is that neither the Minister nor his officials have ever run a bus service. It is impossible to find anyone in Scotland who has run a bus service who believes other than that these proposals will be disastrous, not only for rural bus services, but for many other bus services as well.

Mr. Ancram: I am sure that the right hon. Gentleman will remember that almost precisely the same criticisms were made of the express coach services before deregulation. The use of those coaches has proved how wrong that criticism was.

Mr. Craigen: What guarantee will the Minister give to the rural communities that he will save their buses? He keeps telling the House about the money that he has allocated for innovation grants. Why is it that COSLA views as an insult the amount of money that he is making available to Scotland to retain rural bus services?

Mr. Ancram: As the hon. Gentleman knows, I met the transport sub-committee of COSLA on Monday. I made it clear to the sub-committee that throughout the United Kingdom a grant will be paid in the rural areas within the transition period of four years. That will start at a rate of £20 million, reducing on a graduated scale to £5 million in the last of those four years. When the hon. Gentleman talks of saving buses, he speaks as if that is what is happening in the rural areas. The rural areas in particular have suffered from reducing bus services. These proposals at last give them a chance of seeing the sort of services that they want.

Hepatitis B Virus

13. **Mr. George Robertson** asked the Secretary of State for Scotland what action he is taking to protect police officers, ambulance personnel, doctors and nurses from the risk of catching hepatitis B virus.

The Parliamentary Under-Secretary of State for Scotland (Mr. Allan MacKay): Guidance was issued by the Scottish Home and Health Department on 3 December 1984 on precautions to be taken to protect health care personnel from the risk of contracting hepatitis B in the course of their work. We are at present considering whether guidance should be given to the police service on this matter.

Mr. George Robertson: Does not the serious increase in cases of the deadly hepatitis B show that the increasing drug epidemic is spreading its effects to the people employed in the police, ambulance and hospital services who are obliged to deal with addicts? Is it not a fact that there is genuine concern in these services that complacency in high places has been shown because such instructions came so late in the day? Is the Minister convinced that the steps now taken will give the appropriate protection to those who come into contact with drug addicts?

Mr. MacKay: It is indeed a serious problem, and it is worth stressing that an increase in the incidence of hepatitis B is one of the consequences of drug addiction. We are following the advice of the expert joint committee on vaccination and immunisation. We are also considering the point about police officers, in consultation with the Association of Police Officers. There is a very successful immunisation against hepatitis B which can be carried out on anyone who thinks that he has been in contact with sufferers in such a way as to be in danger of contracting the disease.

Trunk Roads (Midlothian)

14. **Mr. Eadie** asked the Secretary of State for Scotland if he will make a statement about his proposals with regard to trunk roads in Midlothian, and especially the A7 and A68.

Mr. Ancram: The major schemes planned for possible starts in the period 1986-89 are the A7 Dalkeith bypass and Middleton bypass, the A68 Dalkeith bypass, and the A702 Hillend improvement. A minor improvement to the A68-A6137 junction is planned for this year.

Mr. Eadie: Is the Minister aware that the A7 bypass is essential for industrial development in Midlothian and that the A68 bypass is urgently needed for Dalkeith? Members of Midlothian council have been told that the A7 bypass is subject of reassessment because the previous assessments were incompetently handled. How does that square with the Minister's answer? Is it not time that this bungling incompetence ceased so that the bypasses can be built?

Mr. Ancram: For the A7 project, the last economic assessment produced a negative result. Lothian regional council, the agent authority, has been asked to carry out

a reassessment using different traffic assignments to see whether an economic and viable scheme can be produced. I understand that this is because in past assessments insufficient account was taken of the future effects of the Edinburgh outer city bypass on traffic flows at Eskbank. If all the work is completed we would still hope to start the scheme before 1989.

SOLICITOR-GENERAL FOR SCOTLAND

Trials (Tape Recordings)

32. **Mr. Dalyell** asked the Solicitor-General for Scotland whether, in the light of the case of Sergeant Jamieson of Bo'ness, he will discuss with procurators fiscal the use of tape recordings as evidence in Scottish courts.

The Solicitor-General for Scotland (Mr. Peter Fraser): I understand that the hon. Member's question relates to the tape recording of evidence given in summary trials in Scottish courts for use in appeals. I have no plans at present to discuss such tape recordings with procurators fiscal in the light of the case to which the hon. Gentleman refers.

Mr. Dalyell: Is the objection based on cost?

The Solicitor-General for Scotland: The hon. Gentleman may recall that when he first raised this with the previous Lord Advocate he suggested changes in the way in which adjustments to stated cases were put before the Appeal Court. He will also recall that those very changes were introduced in the Criminal Justice (Scotland) Act. I am satisfied that in that respect the appeal procedure is now working very much better.

33. **Mr. Maxton** asked the Solicitor-General for Scotland when he will meet procurators fiscal to discuss the use of tape recordings as evidence in Scottish courts.

The Solicitor-General for Scotland: I have no plans at present to do so. After evaluation of the experiment carried out on behalf of the Scottish Home and Health Department between 1980 and 1983 in Falkirk and Dundee, and latterly also in Aberdeen and part of Glasgow, it will be for my right hon. Friend the Secretary of State to decide whether tape recordings of police interviews should be introduced in Scotland on a formal basis. Thereafter it may be appropriate for my noble and learned Friend the Lord Advocate and myself to meet procurators fiscal or to issue guidance to them.

Mr. Maxton: Is the Minister aware that promises were made in Committee on the Criminal Justice (Scotland) Bill to the effect that the use of tape recordings would be introduced as soon as possible to provide some safeguard against the wrongful use of detention? When will that take place, or is the delay to continue indefinitely?

The Solicitor-General for Scotland: I well recall the considerable debate that took place on tape recording and the subsequent agreement that an experiment should take place, which was then carried out. The hon. Gentleman will also be aware that my right hon. Friend the Secretary of State for Scotland has already told the House that the Government intend to publish the results of the experiment in the form of a consultation paper before any final decisions are taken about the future of tape recording of police interviews in Scotland.

Mr. Fairbairn: Does my hon. and learned Friend appreciate that tape recording has resulted in grave difficulties in the proper presentation of evidence for the conviction of those who are guilty and that if it were introduced it would result in an impossible situation——

Mr. Maxton: The hon. and learned Gentleman was down there on the Front Bench making the promises.

Mr. Speaker: Order.

Mr. Fairbairn: —in which the police would never know what evidence was acceptable or admissible or what questions were allowable but not admissible. The result would be that many guilty people would be acquitted, and the innovation would be of no benefit to the innocent.

The Solicitor-General for Scotland: I am bound to accept that, after the introduction of the tape recording of police interviews, a number of cases came before the courts that probably made it more difficult for police officers to understand how far they could go in the examination of suspects. However, following the first reference by the Lord Advocate to the Court of Appeal, the situation has been clarified for police officers. After what was said by the Lord Justice General, I hope that police officers understand just how far they can go, what questions would be fair for them to put to suspects at the police station and which, on the other hand, would be improper.

Mr. Maclennan: Why has so much time elapsed since the conclusion of the experiment without the Government letting us know their own views?

The Solicitor-General for Scotland: The results of the experiment are being collated. My right hon. Friend the Secretary of State for Scotland has made it clear that those results will be published for wider public consultation in the form of a consultation paper. The experiment was first set up in two places and subsequently extended to Aberdeen and Glasgow. This is a difficult matter and the Government are proceeding in a sensible and cautious way in considering the introduction of such changes.

Mr. Dewar: The Solicitor-General for Scotland must accept that, even by the standards of this place, and bearing in mind the movement of Governments, the time lag has been quite noticeable. Will he study the written answer in the *Official Report* of 10 January giving details of the favourable experiences in Leicester and, I believe, five other areas of England, where experiments have been conducted? After five or six years, we should have at least have reached the stage of formal consultation. When will the consultation paper be published?

The Solicitor-General for Scotland: That is a matter for the Secretary of State for Scotland. As I have already made clear to my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn), it has taken sometime for cases to come before the appeal courts that clarify the rights and duties of police officers in conducting interviews. That being so, I do not consider that there has been undue delay in carrying out a difficult and important experiment.

Mr. Speaker: Order. In fairness to the hon. Member for Edinburgh, Leith (Mr. Brown), whom I did not see rise, I will, exceptionally, call him now.

Mr. Ron Brown: Will the Solicitor-General for Scotland apologise to Mr. David Hamilton and pay him the appropriate sum of compensation for the period that he spent in gaol?

The Solicitor-General for Scotland: Mr. Hamilton was brought before the court in Edinburgh shortly before Christmas. He was allowed the opportunity of a fair trial before a sheriff and a jury, and he was acquitted. I believe that justice was done in the normal way, and that the hon. Gentleman should be satisfied.

Coal Industry Dispute

34. **Mr. Foulkes** asked the Solicitor-General for Scotland how many people charged with offences arising out of the mining dispute have been refused unconditional bail; and, of these, how many had previous criminal convictions.

The Solicitor-General for Scotland: As at 9 January 1985, 20 persons had been remanded in custody after appearing in court charged with offences arising out of the mining dispute. Of the 20 persons, two were subsequently released on appeal and one immediately changed his plea to that of guilty. As some persons still await trial, it would be inappropriate to release information about previous convictions. Information on the imposition of any special conditions of bail is not available centrally.

Mr. Foulkes: Will the Solicitor-General for Scotland confirm that it is not normal to refuse unconditional bail for first offenders and that, by doing so, the courts—especially the sheriffs courts at Dunfermline and Kilmarnock—are acting in a political manner that is quite unacceptable and are deliberately trying to intimidate pickets and limit their activities? Will he confirm that such behaviour is improper, and say what action he intends to take?

The Solicitor-General for Scotland: The only thing that I should have thought improper is the hon. Gentleman's attempt to attack sheriffs——

Mr. Foulkes: I am protecting my constituents from them, and the Solicitor-General should be as well.

Mr. Speaker: Order.

The Solicitor-General for Scotland: The hon. Gentleman knows that that is not the case. If people believe that their applications for bail should not have been refused, there is a clear and speedy appeal procedure to enable them to have the bail decision reviewed by a High Court judge. As I said in my original answer, on the two occasions when that has been done, the appeals have been sustained.

35. **Mr. McKelvey** asked the Solicitor-General for Scotland how many prosecutions related to the coal dispute have been dealt with by Kilmarnock courts to date.

The Solicitor-General for Scotland: As at 9 January 1985, 92 prosecutions for offences arising out of the mining dispute had been dealt with in Kilmarnock courts.

Mr. McKelvey: Notwithstanding the answer that the hon. and learned Gentleman gave my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), does he share the anxiety that many of us feel that there is a hint in some press reports that there has been some political collusion in regard to miners arriving at courts and being tried? There should be some form of inquiry into police activities in Ayrshire during the strike and how matters have been dealt with in court.

The Solicitor-General for Scotland: If the hon. Gentleman is making allegations about the conduct of judges in Scotland concerning political interference in the administration of justice, he should do so through a substantive motion to be presented to the House, rather than rely on repeating broad and unfounded allegations without giving any detail of the circumstances in which such political motivation is said to have occurred.

Questions to Ministers

3.32 pm

Mr. Peter Hardy (Wentworth): On a point of order, Mr. Speaker. You might be aware, Sir, that some English hon. Members think that the Government's forestry policy is deplorable. In view of that, could you look into the new circumstances that have developed as the Government have transferred forestry responsibilities to the Secretary of State for Scotland? Is it not clear that our Scottish colleagues have quite enough to do in representing their constituencies without encouraging English Members to intervene in Scottish questions to pursue this matter? In view of the implications of the change, would you examine the matter urgently?

Mr. Speaker: The issue of who is responsible for answering questions is not for me. I noted the question tabled by the hon. Member for Wentworth (Mr. Hardy) —No. 19—and I am sorry that we did not reach it.

Mr. Willie W. Hamilton (Fife, Central): On a point of order, Mr. Speaker. You will have noticed, Mr. Speaker, that, of the 36 questions which were tabled today for oral answer, only four were in the names of Conservative Members. As that demonstrates Conservative Members' singular lack of interest in all matters appertaining to Scotland, why do you think it worth while to call them to ask supplementary questions? They have asked 12 today on questions that they did not bother to table.

Mr. Speaker: I try to be fair to the House and am the first to appreciate that there are more Scottish Members on the Opposition side than on the Government side. If the hon. Member for Fife, Central (Mr. Hamilton) examines the Order Paper, he will see that, with the exception of those hon. Members who tabled question No. 19, which has already been mentioned, question No. 23, question No. 24, question No. 27—the hon. Gentleman's—and question No. 31, all right hon. and hon. Members present in the Chamber were called today.

Mr. Hamilton: Not me—I was not called.

Mr. Dick Douglas (Dunfermline, West): On a point of order, Mr. Speaker. I hesitate to raise this matter, as I probably could have written to you about it, but it affects virtually every right hon. and hon. Member. You cannot have failed to notice, Mr. Speaker, that on today's Order Paper, many right hon. and hon. Members are seekers after wisdom in trying to elicit from the Prime Minister her official engagements for 29 January. There are well over 100 such questions. Would you reflect on the fact that, if there is a possibility of only the first five questions on the Order Paper being aired, it is tantamount to a lottery? Why do we not consider making a change so that Members who wish to ask the Prime Minister on a Tuesday or a Thursday open questions — that is what they are — have their names put in a lottery and Members who wish to ask specific questions are not denied the opportunity? Perhaps there might be an extension of Question Time. We have really institutionalised this practice which takes up a lot of time for Members, printers and others. The practice is unproductive, unacknowledged and not understood outside the House.

Mr. Speaker: The answer to that question is that it is entirely up to right hon. and hon. Members as to what questions they put down to the Prime Minister. *[Interruption.]* Well, it is. It is up to them whether they put down definitive questions or open questions. Anyway, all these questions go into what I understand is called the shuffle. To that extent it is a lottery as to whether one comes out early or late. The matter is entirely in the hands of hon. Members. If the hon. Gentleman feels strongly about it, he might well raise it with Procedure Committee.

Mr. Nicholas Fairbairn (Perth and Kinross): On a point of order, Mr. Speaker. Is it in order for an Englishman who represents Central Fife, who has no residence in Scotland and who normally lives in England, to complain about the activies of Scotsmen? Is that not contradicting the legislation on racism of which he is such an adherent?

Mr. Norman Buchan (Paisley, South): Further to that point of order, Mr. Speaker. Is it proper to say that anyone who lives in a castle is properly domiciled in Scotland?

Mr. Speaker: I will not get myself involved in this. So far as I am concerned, the hon. Members represent Scottish constituencies.

Leaseholders (Choice of Insurers)

3.36 pm

Mr. Robin Corbett (Birmingham, Erdington): I beg to move,

That leave be given to bring in a Bill to allow a leaseholder to choose the company with whom he insures his dwelling from a list of approved insurance companies.

This is a small but none-the-less important Bill. Its purpose is to extend freedom of choice over property insurance to the leaseholders of about 1,400,000 flats and homes in England and Wales to whom this is denied. Landlords can and do dictate the company with whom leaseholders are required to insure. Certainly there is financial gain for the landlords by way of commission. It is not always the case that the commission is translated into lower premiums for the leaseholders. It may be argued that this compulsion is in the best interests of leaseholders who, where large numbers of properties are involved, can get acceptable cover for discounted premiums. That is about the best face which can be put on this dubious practice.

Let me give an example of what happens in practice, helpfully provided to me through the Consumers Association. Fountaine Freeholds Limited, which inconveniently operates from a post office box number in St. Helier, Jersey, wrote to a leaseholder saying it had bought the freehold of the property. The letter said:

"We have specific requirements as to Insurers and shall notify you of these in due course. In the meantime, and as so required by your Lease, please let us have your existing Policy of Insurance and the current receipt for premium."

A separate undated letter to the leaseholder said:

"Under the terms of your lease, you covenant with your Lessors (that is us) to insure your house and all other buildings which may be upon the land in the joint names of the Lessors and Lessees in some Insurance Office to be named from time to time by the Lessors to the full value thereof. Previous Lessors did not have a policy of directing insurance but with a view to good Estate Management, the policy of this Company is to have all freeholds owned by us insured in one office."

It then added threateningly:

"It may well be that neither you nor your Building Society will want to change insurers. We must make it very clear that no Building Society has the power to insist that you insure with any particular Company. We, as your Lessors, do have such a power"—

the next words are underlined—

"and we shall insist that our nomination be followed."

The letter went on:

"those who fail to carry out our direction as to insurance, will commit an immediate and serious breach of covenant in respect of which we shall serve Notice upon the Lessee under Section 146 of the Law of Property Act 1925 with a view to the commencement of proceedings to forfeit the Lease."

It warned:

"Your Lease also contains a provision for the Lessee to pay all the Lessors' costs, charges and expenses which may be incurred by the Lessors in or in contemplation of any such proceedings. These costs would be substantial."

This high-handed action is all the more unacceptable in this day and age, because the cover insisted on by the nominated company was at the standard rate of 15p per £100—no bargain there for the leaseholder, but a nifty commission for the heavy-handed landlords.

As the British Insurance Brokers Association says about the lack of choice of insurers:

"Members of the public . . . could be forgiven for feeling that they are being forced to purchase something they do not want . . . They find themselves locked into a long-term financial arrangement which denies them a choice of borrowers from another institution".

This practice is outrageous, unfair and extortionate. My Bill will put paid to it by insisting that leaseholders have the choice of not less than three insurers. This will help householders, encourage proper competition and will enable brokers and insurance companies to be able to bid for business which is now cosily enforced with the threat of the loss of a home to the leaseholders of almost 1·5 million flats and houses in England and Wales.

Question put and agreed to.

Bill ordered to be brought in by Mr. Robin Corbett, Mr. Bryan Gould, Mr. Lawrence Cunliffe, Mr. Tony Blair, Mr. Frank Dobson, Mr. Mark Fisher, Dr. John Marek, Mr. Stuart Randall, Mr. Allan Rogers, Mr. Clive Soley and Mr. Ken Weetch.

LEASEHOLDERS (CHOICE OF INSURERS)

Mr. Robin Corbett accordingly presented a Bill to allow a leaseholder to choose the company with whom he insures his dwelling from a list of approved insurance companies. And the same was read the First time; and ordered to be read a Second time upon Friday 1 February and to be printed. [Bill No. 59.]

Rate Support Grant (England)

3.42 pm

The Secretary of State for the Environment (Mr. Patrick Jenkin): I beg to move,

That the Rate Support Grant Supplementary Report (England) (No. 2) 1984/85 (House of Commons Paper No. 81), which was laid before this House on 11th December, be approved.

It may, Mr. Speaker, be for the convenience of the House if we also discussed the following motions:

That the Rate Support Grant Supplementary Report (England) (No. 3) 1983/84 (House of Commons Paper No. 82), which was laid before this House on 11th December, be approved.

That the Rate Support Grant Report (England) 1985/86 (House of Commons Paper No. 142), which was laid before this House on 20th December, be approved.

Mr. Speaker: Is that acceptable to the House?

Hon. Members: Aye.

Mr. Speaker: So be it.

Mr. Jenkin: Before I describe the rate support grant reports, I should like to set them in context and remind the House of some of the facts about local authority current spending. This year in England—in this debate we are concerned only with England—such spending amounts to £24 billion, more than a fifth of total public spending. Its significance to the Government's overall economic strategy is, therefore, obvious, and both we and the previous Labour Government have rightly treated local Government current spending as a crucial element within public expenditure as a whole.

To illustrate this, I remind the House of the experience of former Ministers within the Treasury and the Department of the Environment when grappling with this problem. In his book "Inside the Treasury", Lord Barnett wrote:

"For years current expenditure of local authorities had grown steadily under Conservative as well as Labour Governments. It was £5·5 billion in 1970/71 and by the time we took over it was £6·8 billion. We then proceeded to increase it substantially. By 1979, at 1975 Survey prices it was some £13 billion".

As he rightly said, that is a lot of money.

He went on:

"The main source of control was the size of the RSG. As Chief Secretary I would be arguing for as low a grant as possible — Tony Crosland for his part, while reluctantly recognising the need to cut expenditure, feared that the squeeze of a lower grant would simply lead to large rate increases."

We all know who won that argument! The hon. Member for Copeland (Dr. Cunningham) was PPS to the Prime Minister at that time, and will no doubt remember how the battle went. Cutbacks in local current expenditure began under Labour; reductions in the percentage of Exchequer grant began under Labour; the system of cash limits on RSG began under Labour. The House will listen with care to see whether the Labour party in Opposition condemns the policies which it followed in office and which it knew to be necessary.

In the 1960s and 1970s, local authority current expenditure was growing in real terms on average at 3·5 per cent. a year. Between 1952 and 1979 the numbers employed by local government had doubled. By 1979 they had reached the all-time record of 2·51 million—11·5 per cent. of the total labour force in local government.

Thanks partly to successive rate support grant settlements since then and thanks, certainly, to better management by many councils, that growth in spending has been reduced to a little below 1 per cent. on average per year. Manpower levels have dropped by over 4 per cent.

It is right to pay tribute to what many councils have achieved in making themselves more efficient. It is also right that the pressure to control spending should be sustained. *[Interruption.]* I am astonished that the hon. Member for Blackburn (Mr. Straw) should make that comment. Does he really regard local government as a form of outdoor relief, simply to provide jobs to keep unemployment down? Of course he does not, and his party never did.

Mr. Jack Straw (Blackburn): The House may not have heard what I said. I said that the Secretary of State was praising local authorities for forcing up unemployment. The Secretary of State must regard local authorities as a form of outdoor relief. I believe that local authorities provide vital services, in many cases to assist those thrown out of work by this Government's policies.

Mr. Jenkin: The hon. Gentleman is trying to deny what he said. Of course, it is the job of local authorities to provide services as efficiently, economically and as effectively as possible. There is no doubt that , thanks to much better management by many councils and the pressure of the rate support grant, many councils are doing just that.

Mr. Tony Marlow (Northampton, North): We have just seen a show of indignation from the Opposition Front Bench. The whole issue has been accompanied by indignation from the Labour party. Is it not worth noting that fewer than a dozen Labour Members are in the Chamber for this important debate.

Mr. Jenkin: That is a fair point.

Mr. Patrick Cormack (Staffordshire, South): Will my right hon. Friend give way?

Mr. Jenkin: May I develop my argument?

Mr. Cormack: I am grateful to my right hon. Friend. It is important to put on record the fact that not only Labour Members are incensed, because some prudent Conservative-controlled councils with excellent records, such as mine, are suffering deeply as a result of what has happened.

Mr. Jenkin: I have no doubt that my hon. Friend the Member for Staffordshire, South (Mr. Cormack) will have an opportunity to make his point if he catches your eye, Mr. Speaker. What he says does not detract from the fact that many councils have made strenuous efforts to make themselves more efficient. The gainers are their ratepayers.

Reining back expenditure has benefited domestic ratepayers, householders and businesses. In each of the last five years the average rate increase has fallen, despite annual panic stories from the Opposition. Last year the average rate increase was only 5·5 per cent.—the lowest in 10 years.

Therefore, we have disproved Tony Crosland's fears, as recorded by the noble Lord Barnett, that a falling percentage of Exchequer grant necessarily means steep rate increases. On the contrary, a falling percentage of grant has been accompanied by a fall in the rate of growth of spending and, therefore, by a steadily reducing rate of increase in local rates. A great many authorities have

managed to sustain or even improve the level of services by making themselves more efficient. There are still plenty of opportunities for that.

The third supplementary report for 1983-84 adjusts block grant entitlements for that year in the light of the latest information. The second supplementary report for 1984-85 implements grant holdback for Liverpool. The House will remember that its budget came too late for last July's supplementary report. Therefore, it is a necessary adjustment.

The main interest in today's debate lies in the report setting out the settlement for next year, 1985-86. I shall deal separately with its three elements—targets, total grant and distribution of grant between authorities.

The key feature of the settlement is that all authorities budgeting to spend more than 0·75 per cent. below their GREA this year can increase their spending next year by at least 4·5 per cent. without incurring grant penalty. For the lowest spenders—those whose budget this year is at or below target as well as below GREA—the increase is slightly higher—up to 4·625 per cent. over this year's budget.

I can, therefore, claim to have set targets for the low-spending authorities and fulfilled the undertaking that I and my hon. Friend the Under-Secretary gave to the House during last year's debate. That has been recognised by many of the councils concerned. Many low-spending authorities have acknowledged that the targets are more favourable than the targets that they have been set previously.

The other side of the coin is a tougher holdback schedule for authorities that spend above their targets. It must be remembered that this year 84 per cent. of all authorities are budgeting to spend within 2 per cent. of their targets. Next year, with the more realistic targets, I hope that that figure will be even higher so that fewer ratepayers will bear the costs of council overspending. Higher current spending means higher rates, which mean lower profits for industry, which means less investment, which means fewer jobs. The connection between those facts is absolutely irrefutable.

Mr. Tony Banks (Newham, North-West): Another argument is that lower spending means fewer services and lower levels of service. The right hon. Gentleman said that the low spenders last year will be rewarded by better targets next year. Can he explain—especially to his Conservative colleagues—why the GLC, which he has always accused of being a high spender, has had a 63 per cent. hike in its target for next year over last year? I am sure that his colleagues will be interested in his answer.

Mr. Jenkin: The hon. Gentleman is, of course, seeking to throw dust in the eyes of the House. He is talking about a comparison of target over target. The real comparison, on which authorities have always focused, is based on what their spending is this year, what their budget is this year, what they expect to spend and how much they can increase on that next year. They want to know what is their margin and headroom. The GLC is, indeed, a massive overspender, and I do not expect it to be entitled to any rate support grant—or only a nominal amount—because it is so far in excess of its target. Judging by the cries of woe from county hall, I do not think that many of my hon. Friends will suspect that we are letting off the GLC lightly.

Mr. Michael Hancock (Portsmouth, South): How can the right hon. Gentleman equate what he has just said with the position in Hampshire, which has stuck religiously to the guidelines set by the Government but which will suffer worse than any other county council in England next year, having about 7 per cent. less cash to spend?

Mr. Jenkin: The hon. Gentleman has misunderstood the point. Hampshire is one of those authorities which, because it is budgeting this year both below its target and the GRE, falls squarely within our definition of a low spender. It therefore has a target hike above this year's budget that is the highest of any authority—4·652 per cent.

I recognise that a number of low-spending authorities say, "That is all right for this year and we can manage for 1985-86, but we face real difficulties in 1986-87." I appreciate that a number of my hon. Friends are concerned about that. They will understand that I cannot at this stage give detailed figures for individual authorities for 1986-87, though I hope to be able to make a helpful comment.

I repeat what I have said, that I should like to be able to abandon targets and holdback. While it has undoubtedly helped to rein back the growth of local authority current spending, I understand those who argue that, coming on top of the system of block grant and the quite sophisticated system of taper, it makes for complications and difficulties.

Much depends on the level of local authority spending in the coming year and on what alternative pressures there can be to achieve delivery of the Government's public expenditure plans. I am considering this urgently. I can say no more on that today. In what follows, therefore, I am assuming that the target system is to be retained for 1986-87.

Mr. Charles Morrison (Devizes): I am grateful to my right hon. Friend, not only for what he has said but for what he has done for some shire counties, not least for mine in Wiltshire, in relation to target. Is he aware that those who represent shire counties will support him strongly in his desire to abandon targets in 1986-87 and in the battles that he may have with the Treasury, because if those targets are not abandoned, or at least considerably relaxed, the situation in the shire counties will become impossible? They are managing this year only as the result of balances. They have juggled their finances for years, but next year will be the crunch year and if there is not a major relaxation life will become impossible for them and services will have to be severely cut.

Mr. Jenkin: As to whether we shall have targets, I cannot say more than I have said today. The more favourable targets that I have given low-spending authorities for 1985-86 have been made possible because of the savings achieved from rate capping the high spenders. I made that clear last year. Rate capping will continue to produce savings in the years after next, in 1986-87 and thereafter, as we continue to bring down what we have no difficulty in recognising as the excessive spending levels of authorities selected for rate capping under the Rates Act. I repeat that low-spending authorities will benefit from that rate capping. They will benefit next year and we will want that to happen again in the year following.

Mr. Roger Gale (Thanet, North): My right hon. Friend has said that he intends to maintain target. Does he accept

[Mr. Roger Gale]

that in Kent the gap between target and GREA is £37 million? If he is to retain target, the logical extension of that must be to abolish GREA.

Mr. Jenkin: My hon. Friend is aware that GREA is the basis of the distribution of rate support grant. I cannot take my hon. Friend's suggestion at face value, but I recognise the argument that he is advancing.

For authorities that budget in the coming year — 1985-86 — to spend at or below both their target and their GREA, the targets for the following year — 1986-87—will take account of the further savings to be achieved from rate capping the highest spenders. A number of authorities have wanted me to make it clear that this is not a one-off position for this year. Rate capping will continue and that will enable us to continue to pursue the policy that I have been describing.

Sir Ian Gilmour (Chesham and Amersham): I appreciate that my right hon. Friend is trying to help the House. Does he agree that unless the system is changed fundamentally — that does not mean a few adjustments because of rate capping — and the target system is abolished, many shire counties will be in an impossible position? Will he undertake to ensure that the present system is not preserved into next year?

Mr. Jenkin: I understand entirely how my right hon. Friend and others feel. I have made it clear in previous debates, and I do so again today, that the Government are anxious to dispense with the target system as soon as they can. However, I cannot go further than what I have already said this afternoon. We are studying the matter urgently and if it proves possible to dispense with the target system, nothing will give me greater pleasure than to do so. However, I cannot make a commitment to the House about next year.

Mr. Simon Hughes (Southwark and Bermondsey): If the Secretary of State is saying that he is reconsidering the target system I ask him to make one other suggestion to his Department for its consideration. He will know that there is now a discrepancy in rate-capped authorities between the rate-capped limit and the target limit. Some authorities which spend up to the rate-capped limit will incur penalty because they have spent over target. If he tells the House that he considers that to be inadequate and unsatisfactory, there will be some light at the end of the tunnel for high-spending authorities which are high-need authorities, which presently have an equal if greater cause for complaint than low-spending and low-need authorities. The high-spending and high-need authorities are now facing total darkness.

Mr. Jenkin: The feature to which the hon. Gentleman has drawn the attention of the House was debated exhaustively during our proceedings on the Rates Bill. Had we not maintained the gap between target and the expenditure limit, there would have been great unfairness to other authorities which are close to the level of rate-capping but which are not being capped. They would have suffered an even greater penalty on their spending than capped authorities, and that would have been unfair.

Mr. Norman Atkinson (Tottenham) *rose*——

Mr. Robert C. Brown (Newcastle upon Tyne, North) *rose*——

Mr. Jenkin: No, I shall not give way. There are many hon. Members who wish to contribute to the debate and I wish to press on with my remarks.

Mr. Atkinson *rose*——

Mr. Jenkin: No, I shall not give way. I have given way a good deal already. We are not discussing rate capping today. There will be an opportunity to discuss the issue when we place, if we have to, the orders before the House.

If all local authorities had shown responsibility, equal to that of those on behalf of which my right hon. and hon. Friends have been intervening, and if Labour authorities had continued to follow the policy of the Labour party under a Labour Administration there would have been no need to enter into the business of targets and to have imposed some of the measures for which we are criticised by local government.

The picture is startlingly clear in the current year. Total overspend above targets is £850 million, and 75 per cent. of that overspend comes from 12 local authorities, every one of which is Labour-controlled.

I turn from targets to Exchequer grant——

Mr. Richard Holt (Langbaurgh) *rose*——

Mr. Jenkin: I hope that my hon. Friend will forgive me for not giving way to him. I must press on. As I have said, many hon. Members wish to contribute to the debate.

The total grant figure in the settlement is £11·8 billion. That is about the same in cash terms as that for the current year. As has been said, this represents a lower percentage of next year's planned expenditure. It will be 48·7 per cent. compared with 51·9 per cent. in last year's settlement. We have reduced the grant expenditure percentage in each year since 1979 and on each occasion there have been scare stories, not least from the Opposition Front Bench, of massive rate increases going far beyond anything we have experienced. The fact is that each year the average rate increase has been lower than in the previous year.

Mr. Tony Banks: On average, yes.

Mr. Jenkin: Of course. There will be a variety of rate increases. I am not quarrelling about that. The key point is that cutting the grant percentage adds to the pressure that we put on authorities, as Lord Barnett has said, to find economies in their spending and reduce spending, which leads to lower rate increases.

In the debate on this matter which took place last year, the hon. Member for Copeland said:

> "Most ratepayers would face steep rates increases in the spring as a direct result of the Government's policy". — [*Official Report*, 23 January 1984; Vol. 52, c. 646.]

We know what happened. The average rate increase was 5½ per cent., which was the lowest for 10 years. It is worth noting that the cut in percentage terms this year is less than the cut of four and a half percentage points which the Labour Government imposed in 1977-78. I hope that on this occasion the hon. Member for Copeland will keep his scaremongering to himself.

I repeat what I have already said to the House. If local authorities budget to meet their targets next year, the average increase at ratepayer level—I stress "average" —should be even lower than this year's 5½ per cent. I stress that that is an average figure. The figures for individual authorities are bound to vary as their grant entitlement changes.

Mr. Peter Hordern (Horsham): I thank my right hon. Friend for showing his invariable courtesy. He has referred to rate support grant. Will he address himself to low-spending authorities such as West Sussex, which he told us last year would receive special attention as low spenders and whose target was considerably below GREA? The same authorities, which he assured would be treated more favourably if they went over target, now find that the penalties for doing so are to be increased substantially. Will he give some assurance to the x j llowest-spending authorities of all — I know of no lower-spending authority than that of West Sussex — which will have inescapably to spend more towards its target to approach what the Government believe is the proper proportion of expenditure that it should incur?

Mr. Jenkin: My hon. Friend knows a great deal about these matters. With respect, I do not think that I can go further on target for the following year than what I have already said. I have said in reply to my hon. Friend the Member for Devizes (Mr. Morrison) and other of my hon. Friends that we intend to continue the process while recognising the position of the very low spenders. I believe that they appreciate that we have done a great deal for them for next year. [HON. MEMBERS: "No."] The county of my hon. Friend the Member for Horsham (Mr. Hordern) has had one of the greatest increases in target of 4·625 per cent. That is likly to be ahead of the rate of inflation.

Mr. Charles Irving (Cheltenham) *rose*——

Mr. Geoffrey Rippon (Hexham) *rose*——

Mr. Jenkin: When I deal with distribution of grant, I hope to be able to show my hon. Friend the Member for Horsham that we have taken account of the position of the lowest spenders.

Mr. Rippon: My right hon. Friend talks about 1986-87 and he is talking inevitably about national averages. Does he realise that many areas are concerned about 1985-86? There are sparsely populated rural areas in Northumberland which have special problems and such authorities are not susceptible to having their problems dealt with in terms of the national aggregate.

Mr. Jenkin: I know that my right hon. and learned Friend will recognise that Northumberland is a county which could not be described as a low spender. It has not budgeted as economically as it could and, therefore, it would be entirely consistent with what I have said to other of my right hon. and hon. Friends not to give the same target latitude to such counties as that which we have been able to give to the lowest spenders. That was the pledge I gave to the House at this time last year.

I know that the sparseness of population was a matter discussed by the five local authority associations and my officials when refining the grant-related expenditure assessments. It is a question not only of the size of the grant but of its distribution. The 1985-86 settlement incorporates rather bigger changes in GREAs than have been made in recent years. Some arise from the decision by my right hon. Friend the Secretary of State for Transport to pay transport supplementary grant only on capital expenditure on roads and traffic management schemes from next year. As a result, revenue expenditure on highway maintenance and passenger transport support will, in future, be supported through block grant. There are, therefore, entirely new GREAs for those two services. I have introduced new and improved GREAs for the recreation service that takes more account of actual use by visitors and commuters. That point was pressed on the Government by a number of my hon. Friends. I have introduced amended GREAs for housing that reflect more accurately the support given to the housing revenue account from the general rate fund.

Of course, a number of authorities have made it clear to me that they are unhappy about the reduction in their grant entitlements arising from these GREA changes. Although I sympathise with the problems this can cause individual authorities, I must point out that it cannot be right to freeze, for all time, the GREAs in their present form simply because there are bound to be some losers as well as gainers. The changes I have made this year represent real improvements in the fairness of GREAs and, therefore, in the fairness of the system of distribution of block grant.

A further change I have made for 1985-86 is to give more of the available grant to authorities spending at or below GREA. I come now to the point made by my hon. Friend the Member for Horsham. As with targets, my objective is to recognise the achievements of low spenders. For 1985-86, spending in relation to GREA will be a more important factor in determining grant entitlements. Correspondingly, the marginal costs in terms of the taper of the grant for those authorities that spend above GREA will be higher. This reinforces our policy of targets and of recognising the difficulties faced by low spenders.

Mr. Straw: Will the right hon. Gentleman confirm the figures he has given in parliamentary answers that, if all authorities spent at GREA, many Conservative shires would suffer massive loss of grants? West Sussex would receive no grant at all for this year and Cambridgeshire would suffer a loss of £26 million in grant. Paradoxically, so-called overspending by higher needs authorities is keeping the rates lower in the lower spending authority areas.

Mr. Jenkin: I agree with the figures but not with the hypothesis the hon. Gentleman postulated. A great many authorities find that they can give their communities a perfectly adequate and acceptable level of service and can, through greater efficiency, spend lower than the GREAs. They are to be commended.

Dr. John Cunningham (Copeland) *rose*——

Mr. Jenkin: I should like to respond to the point made by my right hon. Friend the Member for Chesham and Amersham (Sir I. Gilmour).

Dr. Cunningham *rose*——

Mr. Jenkin: I have given way to the hon. Member for Blackburn (Mr. Straw) on the Opposition Front Bench. The hon. Member for Copeland can make his point when he makes his speech. I and many hon. Members on both sides of the House appreciate the fact that the system of local government finance has become increasingly complex. Even the terminology we must use is double-Dutch to most laymen. The important point is that, the more difficult it is for people to understand a system, the harder it is to persuade them that it is fair. I understand that, and that is not the least of the reasons why I asked my right hon. Friend the Minister for Local Government and my hon. Friend the Under-Secretary of State to

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undertake a series of studies of the whole field of local government finance. Those studies are well under way. Rate support grant settlements in England distribute almost £12 billion of Exchequer cash in support of £24 billion of local authority expenditure by more than 400 very different local authorities. Simplification is always an important objective, but so is equity. We must remember that fact.

This year, 84 per cent. of authorities are spending at or close to their targets. They include authorities of all categories and all political colours. They have managed to do so without what is sometimes described as catastrophic service cuts. Targets for next year are more favourable for most authorities than they were this year. Doubtless, we shall again be told of the services that must be slashed, but all the evidence suggests that that is nothing but wild exaggeration. The point is that the targets we have set are realistic.

Another point I should like to make clear concerns the equity between responsible authorities, which have made efforts to find economies and the minority which have not. This is an important aspect that has been pressed on the Government year after year by my hon. Friends.

Mr. Robert C. Brown *rose*——

Mr. Jenkin: I am coming to the end of my speech, so I shall not give way.

Three quarters of this year's overspend comes from just 12 local authorities, all of them Labour-controlled. We are now leaving behind the days when the responsible low-spending majority of authorities had to be asked to find substantial economies to compensate for the massive overspends of the irresponsible minority. We deliberately introduced rate capping to escape from that position. Selection of 18 authorities for rate capping next year should mean that actual expenditure will be £400 million lower than it would have been if the authorities had continued on their Rake's Progress of squandering as they have done in recent years. For 1985-86, I have used those savings to secure more favourable targets than ever before for low-spending authorities, and I proposed to continue to use them to help low spenders in 1986-87.

It is now for each local authority to make its budget and rating decision. This settlement sets the framework so that, if local authorities budget reasonably, they can continue to provide a reasonable level of services while protecting their ratepayers against excessive rate increases. I commend the report to the House.

4.17 pm

Dr. John Cunningham (Copeland): The Secretary of State in his opening comments tried to suggest that his policy was simply a continuation of the policies pursued by the last Government. I reject that suggestion as fundamentally dishonest. When the last Labour Government left office, they were providing 61 per cent. of council current expenditure by way of rate support grant. The Labour Government had no targets, no penalties and no individual controls over local councils, and they had no punitive Rates Act to undermine the local democratic process.

Dr. Keith Hampson (Leeds, North-West)*rose*——

Dr. Cunningham: I shall not give way. I have just begun my speech.

This is the sixth annual report on the rate support grant introduced by the Conservative Government since taking office in 1979. Each year, the most significant feature has been the reduction in grant percentage paid by central Government to local councils. In 1979-80, the Labour Government provided cash to finance 61 per cent. of current council expenditure at a time when there was much lower unemployment, a much better social climate and much better circumstances than the appalling conditions that prevail today.

The report proposes to reduce cash support to councils for the sixth consecutive year to only 48·7 per cent. of their expenditure. The proposed reduction for 1985-86 amounts to £775 million compared with the fiscal year 1984-85.

Dr. Hampson *rose*——

Dr. Cunningham: I am not giving way.

The curious and deliberate thing about the Secretary of State's speech was that he talked about targets for almost all of it. He never mentioned the reduction in grant and its impact on authorities, nor did he say that it was likely to cause problems, hardship or difficulties for the local authorities involved.

Dr. Hampson *rose*——

Dr. Cunningham: I am not giving way.

Mr. Speaker: Order. I have heard the hon. Gentleman say on three occasions that he is not giving way. Many hon. Members wish to speak, and all interventions take up time.

Dr. Cunningham: The hon. Member for Leeds, North-West (Dr. Hampson) stood up to intervene within the first minute of my speech. I should tell him that my record on giving way is much better than the Secretary of State's. I shall give way to the hon. Gentleman when I have finished the introductory part of my speech. I have not yet gone beyond the first page.

The Secretary of State's persistent and deliberate policy of making significant annual reductions in the cash support for local councils is the root cause of all the problems that the Secretary of State's hon. Friend's have been quoting to him today. It causes unemployment, undermines the quality of community and public services, such as education, transport, meals on wheels, concessionary fares, and help for elderly and disabled people and for families who are suffering deprivation. That is the real impact of his policy and that impact will be continued as a result of his report.

Dr. Hampson: I rose immediately because the issue of whether the percentage rises or falls is at the heart of the hon. Gentleman's case. The Labour Government immediately raised it from 60·5 per cent. to 66·5 per cent. They found that that was unsatisfactory and reduced it progressively to the 61·5 per cent. about which he is now boasting. Even before that, during the Wilson Government, it was as low as 54 per cent. They have had it all ways. The hon. Gentleman should know better than to argue as he has.

Dr. Cunningham: My first response to the hon. Gentleman is that he is talking about two different systems. My second response is that in each year of the previous Labour Government, the percentage paid by that Government was higher than it has been in any one year of this Administration. That is the fundamental difference.

Ratepayers will again face increases in the coming year —there is no point in trying to disguise that—because the persistent and deliberate reduction in grant is the biggest factor and the most important reason why average domestic rates—that is what the right hon. Gentleman and his predecessors have talked about—have more than doubled since 1979. Average domestic rates have increased by 108 per cent. since the Conservative Government came to office.

Those burdens are a direct result of the Prime Minister's policies. It is significant, although not surprising, that she never attends these debates. She is never present to support the right hon. Gentleman, even in his most difficult times —and there have been many of those—because she has comprehensively betrayed the ratepayers by doubling rates and ratting on her promise, twice made, to abolish domestic rates.

Like young people who were promised work and real jobs by the Prime Minister — perhaps the biggest and most cynical betrayal of all — ratepayers will never forget the Prime Minister's promise to them, which was repeated in two general elections, that she would relieve them of the burden of domestic rates. After six years, she has succeeded in more than doubling rates, and the increase will continue.

In addition to the reduction in cash support for councils and ratepayers, the most important features of the report are the harsher financial penalties for councils which used their own money to uphold the quality of their services and to protect their communities; changes again in the principles used to construct the Whitehall-imposed targets for the fifth successive year; inadequate application of the Secretary of State's use of disregards; and the persistent and continued use of data which even the Audit Commission—the right hon. Gentleman's own creation —has described as open to serious question.

It is important to examine those matters in detail and, not least, to contrast their impact with the promises made to local government by the Secretary of State and his predecessors. The way in which councils' spending targets have been constructed by the Government means that 85 per cent. of the metropolitan councils will be required to make real cuts in expenditure.

Many of the areas with the greatest social need are again being asked to make the biggest cuts and to carry the heaviest burden. The Secretary of State, in paragraph 7 on page 4 of his report, when talking of expenditure provision, claims:

"This should enable the Government's policies for individual services to be broadly maintained."

At best, that is an ambiguous statement. At worst, it is dishonest. Government policy is to reduce cash support for councils.

The two supplementary reports for 1983-84 and 1984-85, which are before the House, remove yet more grants from local councils through the operation of an increasingly punitive penalty system based upon arbitrary spending targets. For 1983-84 another £281 million passes to the Treasury. That is more than in the previous supplementary report. For 1984-85, the Treasury's windfall is £455 million—an increase of £3 million on the supplementary report approved in July 1984.

How can councils maintain their services in the face of persistent cuts in the real value of Government grant? They can do it by spending more of their own money raised from the rates, by increasing rates to increase their revenue, or, as the Secretary of State suggested, by trying to improve their own efficiency.

Demands on council services are increasing because of the appalling social and economic consequences of the Government's policy. As the House is aware, millions more people today face hardship, deprivation and poverty compared with 1979. No improvement in the management of services could hope to offset the combined effects of major increases in demand and the cumulative withdrawal by the Government of more than £12 billion in real terms from council finances since 1979.

The Secretary of State seeks to impose his ceiling on every council budget as his authoritarian attitudes expand and engulf all aspects of policy. He reduces grants; imposes more drastic fines and penalties on councils which spend above his arbitrary Whitehall view of their necessary expenditure; and controls their rates. The outcome of that cannot be the maintenance of services. He does it regardless of the councils' performance or efficiency.

I give two examples to illustrate that point — one Labour, one Conservative. For three years the Stevenage council held the rate level. Last year it was reduced by 7·2 per cent. Despite that performance, the council now faces a loss of over £500,000 in grant because of changes in the methodology of calculating its entitlement. That council is spending at target. It is not profligate. It has not forced up rates year after year.

Sevenoaks district council is Conservative-controlled. The leader, Councillor Garner, has written to the hon. Member for Sevenoaks (Mr. Wolfson), and sent a copy of his letter to every member of the council, including Labour members. He said:

"We have just received notification from the Department of the Environment that our block grant is to be reduced this year from £2,054,000 to £1,674,000 . . . a staggering reduction of 18·5 per cent. This means we will be forced to increase our rates by almost 20 per cent. next year, an increase which is entirely caused by central Government decisions."

He goes on:

"Mr. Jenkins is reported as projecting average rate rise 'in low single figures'. Against such statements, how are we expected to explain to our ratepayers that their rate increase of 20 per cent. is entirely due to the capricious decisions of Mr. Jenkins' own department?"

He adds a postscript to his letter:

"Mark—we have had enough!"

That is the comment of the Tory leader of Sevenoaks district council, and that is increasingly widely recognised by council leaders of all persuasions up and down the country.

The scope and quality of public services are undermined, provision is cut, redundancies occur, and vacancies are not filled. Those are, in reality, the aims of Government policy. In consequence, our towns, cities and boroughs begin to suffer neglect. Transport is threatened in rural areas. Education — surely a country's best investment — is undermined. The Government are increasingly enforcing a run-down, often second-class and inadequate public provision by their inadequate and increasingly incompetent administration of local government, and Conservative Ministers are determined to impose their view, regardless of the wishes of local communities as expressed in local council elections.

Councils trying to resist and to respond to the legitimate wishes and aspirations of the people who elect them are not only penalised but often subjected to petty abuse and

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vilification. Elected councillors are increasingly and knowingly prevented from meeting their statutory obligations and duties by this Conservative Administration. That is true of a wide range of services, such as housing, planning, building control, public health, education, and provision for disadvantaged people. But a blind eye is turned to all those services by Ministers and their supporters in the House. Meanwhile, Ministers abuse their powers and act unlawfully.

Recently, the Secretary of State for Transport deliberately and unlawfully robbed the Greater London council of more than £50 million. Is he to be surcharged? Is he to be removed from office? The Secretary of State for the Environment does not have a very good record either in that respect, because he ignored his duties in respect of the GLC development plan. When the courts found against him, he ignored them, too, and changed the law. He is currently hiding behind the dubious interpretation of the Rates Act to disguise from the House his use of its powers to fix budgets for councils which he has quite deliberately "fitted up" to suit his own political purposes. It is squalid behaviour on the Secretary of State's part that he does not tell the House about his assumptions in the application of a highly contentious and fundamentally important Act of Parliament.

The Secretary of State's claim that the Rates Act is designed to protect ratepayers had a very hollow ring when contrasted with his proposal today to reduce by £775 million the support that the Government are providing to them. His argument that rates increases would be in single figures ignores the real impact of what he is doing and is contradicted by the Association of Metropolitan Authorities, the Association of District Councils and the Association of County Councils, all of which condemn the report. The Secretary of State also misleads when he pretends that rates can be held down without serious consequences for jobs and services.

The effect of trebling penalties is punitive in the extreme. For spending of just 1 per cent. above an arbitrary and imposed ceiling, councils will be clobbered. Currently, 110 authorities spend at just 2 per cent. over target, and altogether 138 authorities—about one third of all councils — are being penalised because they choose not to accept a Whitehall-imposed ceiling on their budgets. Ironically, the savage increase in penalties, as the hon. Member for Horsham (Mr. Hordern) pointed out, will affect low spending councils worst of all. In addition, those extreme penalties on councils further blur local accountability by placing elected councillors in the invidious position of determining policies not by assessing local needs and desires, but by reference to the punitive extra cost enforced by central Government.

The dubious use by the Government of grant-related expenditure plumbed even new depths when Ministers' manoeuvring over council housing finance, using the so-called "E7 factor", came to light as a result of a leaked document a few months ago. Those calculations are crucially important for many housing authorities. In the leaked document last September, the Under-Secretary of State, the hon. Member for Ealing, Acton (Sir G. Young), described his own civil servants' study of the issue as "political dynamite", because it showed that the Department had been unfair to several authorities. A cover-up then followed, and the full picture was never revealed, either to the local authority associations or to the House of Commons.

Mr. Patrick Jenkin *rose*——

Dr. Cunningham: I shall give way to the right hon. Gentleman, although today, as on the last occasion that he spoke, he refused to give way to me.

Mr. Jenkin: I absolutely refute the hon. Gentleman's charge that there was a cover-up. On the contrary, the documents were circulated widely to the local authority associations. The hon. Gentleman tries to pretend that some copies of the document were leaked. They were to be found in the offices of every local authority association in England. The hon. Gentleman's comment is a damp squib. The authorities welcomed the changes in GRE that we have introduced. Is the hon. Gentleman saying that we should not have studied that reaction?

Dr. Cunningham: I question what the right hon. Gentleman has just said to the House, because copies of the leaked document were not available in that form to local authorities; nor were the written comments of the right hon. Gentleman's junior Minister, describing the document as "political dynamite", available to the local authority associations.

The point is worth developing a little further. In 1984-85, Hackney borough, the most deprived borough in England, was allocated £11·4 million by the use of the E7 factor. The leaked document said that Hackney should have received £20 million. When the local authorities were finally consulted, that figure had become £16 million. Following further discussion, Hackney was allocated £7 million for 1985-86, but the council has finally ended up with £13 million.

Ministers continue to pretend that GRE is an objective and unbiased test of needs — a claim that is totally belied by the events that I have just described. They illustrate all the symptoms of political chicanery and political dishonesty at their worst. But it is on the basis of Government manipulation of those allegedly fair calculations that the iniquitous Rates Act is applied to override local democracy and accountability.

The report, and Government policy underpinning it, stands condemned by all national local authority associations. The Tory-controlled Association of County Councils has been bitterly critical of the report because of its impact on the shire counties. A few weeks ago—this was repeated to me in a letter that I received on Christmas Eve and mentioned again today—the Secretary of State said that the settlement shows that

> "I am, thanks to our rate limitation policies, now in a position to stop asking prudent authorities for real terms cuts to counter the excesses of the high spenders."

The fact is that 65 out of 77 metropolitan authorities, 11 out of 39 shire counties and 113 out of 296 district councils face real terms cuts in their grant as a result of the right hon. Gentleman's policies. He has consistently promised help to his shire county friends and said that the report fulfils his pledges and those given by the Under-Secretary of State, the hon. Member for Bristol, West (Mr. Waldegrave). In reality, 38 out of 39 shire counties have spending ceilings below their GRE — below what the Government say is our objective test of what they should spend. That is a worse situation than in the current

financial year. Things will be worse next year than this year. Sixteen shire counties suffer grant loss even if they spend at target as a result of the report. Essex will lose £19 million, Hampshire £15·5 million, Surrey £15·7 million, Hertfordshire £14 million and Berkshire, the very shire county that the Secretary of State chose to speak about in his statement in December—what we might call the Berkshire factor—will lose £10·4 million in grant if it spends at target next year. Oxfordshire will lose £10 million.

In his statement on 11 December, the Secretary of State mentioned Berkshire as an example of a county given favourable treatment. Now we know the result—a loss of grant of over £10 million next year for spending at target. The reality is that, in exchange for a minuscule increase in a target that is arbitrary anyway, a massive loss of cash results. As the ACC says, the 10 shires that benefit from the additional 0·125 per cent. increase in targets are allowed, in total, to spend an extra £2·7 million of their own money between them on total targets of £2·42 billion. That is a measure of the right hon. Gentleman's generous help to his friends. As a consequence of his decision, those same authorities will lose cash grant of £46 million in the process. That is how the Secretary of State has helped the shire counties. That is the true nature of the right hon. Gentleman's help, if it can be called that, to the shires; and it remains the case that lower spending authorities receive lower than average target increases in the report.

If in 1985-86 shire counties spend at their GRE, they will lose £1·5 billion in grant penalties under the present system. The right hon. Gentleman hinted at getting rid of targets and replacing them with GRE. That would be worse for the shire counties than the present situation, because they would catastrophically lose grant. That is a measure of the ferocity of the Government's policies.

The ACC and the Association of District Councils confirm, as has the Secretary of State for Education and Science, that the Rates Act, far from benefiting the shires, has greatly restricted their share of the total available increase in targets and their receipt of grant. The Rates Act does not help the shire counties—quite the reverse.

The ACC calls on the Government to recognise that Government policy has resulted directly in the equivalent of a 38p national rate increase since 1980-81 before any excess spending is allowed for. The ACC believes, as we do, that those policies lead to instability, incomprehension and a further loss of local accountability.

It is worth referring to some of the comments by shire county leaders in the Tory party. Councillor Roger Parker Jervis, for one, wrote to *The Times* and said:

"Right across the country prudent Conservative councillors know their targets are unrealisable and ridiculous, and that to spend above them is inevitable if local services are not to break down or become the subject of derision. Thus penalties will, as in Buckinghamshire, increasingly fall heavily on the same hapless ratepayers for whom the Government claims to stand champion.

I am not willing to countenance such injustice."

The Tory leader of Oxfordshire, Councillor Eric Bond, predicted

"a steep rate rise in the county next year".

Mr. Bond has called for a meeting with the Secretary of State to discuss the implications of the report. He made it clear that

"Oxfordshire councillors had been stung be Mr. Jenkin's claim on Tuesday that 'our undertakings to the shires have been met to the letter'".

Going on to discuss the implications of the report, Councillor Bond said:

"This contradicts Mr. Jenkin's claim that people will be delighted with the Government's attempts to control rates."

The Conservative leader of Oxford city council, Councillor Janet Todd, said:

"Councillors are being made whipping boys for the defects of the rating system."

Even the chief constable of South Yorkshire, Mr. Peter Wright, has said that his police authority is caught in a vice between the Home Office and the Department of the Environment. One report says:

"The Home Office always said that extra resources must be found from existing manpower and finance, said Mr. Wright. 'That is one side of the vice, and the other is provided by the Department of the Environment . . . Having gone through a recent budget trimming exercise, I know that any further cuts mean losses in manpower'."

That is the sort of thing that is being said about the rate support grant. I learnt today that even the Tories in Bradford are seeking legal advice about the implications of the report for them and their authority.

The Audit Commission, set up by the Conservative Government, has produced a damning indictment of Government policy towards local government finance. The report contains fundamental contradictions of all that the Secretary of State has been saying about the effect of Government policies on local councils. It demonstrates the futility of those policies. It demonstrates the futility of Government claims to be improving the efficiency of local government, with their systems of penalties and Whitehall interference. The Audit Commission's report makes it clear that rates in England are now higher than they would otherwise have needed to be, as a direct result of Government policy. The commission estimates that rates over the past three years have been higher than they need to be by some £1,200 million. Government-imposed targets are also shown to be confusing and based on inaccurate and inadequate information about the situation in our towns, cities and counties. Whitehall interference has undermined local accountability and management, and confused ratepayers.

That is what the Audit Commission says. Its report not only vindicates and substantially underlines what the Labour party and I have been saying about the ineptitude of Government policy, but makes it clear that Government policy is creating an appalling situation and making difficulties for local councils very much worse. That view is shared by every major local authority association, many professional bodies, the trade unions and the academic world.

Mr. Robert C. Brown: Does my hon. Friend agree that the policies of the Government are multiplying the problems in the inner cities? Does he agree that councils, such as Newcastle city council, have to spend more money on the problems of the inner cities, but the more inner city partnership money they spend, the nearer they are brought to being rate-capped? Is that not a monstrous injustice to the inner cities?

Dr. Cunningham: Yes, I agree with my hon. Friend. The reality is that the Government are in the ridiculous position of giving extra resources to partnership authorities with one hand and taking those resources away from them with the other.

The Secretary of State used to speak favourably about the Audit Commission. At a conference in Wembley last year, he said:

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"The Audit Commission has provided councillors with a powerful new weapon in their fight to keep costs down and so keep their rates down."

He went on to say that it would help them to improve their efficiency. However, when the first major report of the Audit Commission on the Government's own system of local government finance was published, the right hon. Gentleman changed his tune. He said:

"The Government's immediate reaction to this Report is that whilst most of its recommendations seem reasonable, they are based on a number of wrong-headed arguments."

The Secretary of State is the only person who believes that to be the case.

The Secretary of State ignores all criticism, advice and evidence, and staggers on into the quagmire of his own creation. Promises and undertakings are cynically cast aside and all the arguments in favour of good local government and better and more efficient public services go unanswered. They are cast aside — throughout my speech the right hon. Gentleman has made a series of running sedentary interventions—rather in the way that the Under-Secretary was cast aside after his performance on the Rates Act in the House and in Committee. The behaviour of the right hon. Gentleman has been very nasty, if he does not mind me saying so.

Government policy is inconsistent, incoherent, incomprehensible and incompetent. In these matters—local services, education, housing, social services, transport — there is worse to come from this most criticised of Governments.

In these matters, too, the gulf between the Labour party view and Tory policies is vast and increasing. We are concerned to enhance local democracy. This Government destroy it. We are committed to better quality public services. This Government undermine them.

We condemn the report as mean, vindictive, biased and incompetent. It is typical of the gerrymander philosophy that the Government have expressed throughout their local government policy. I urge the House to reject it.

4.53 pm

Mr. David Howell (Guildford): There can be no doubt that the system of holdback, targets and block grant based on grant-related expenditure and grant-related poundage is one of the most miserable inheritances that any Secretary of State has ever had the ill fortune to receive. It has now reached a degree of complexity, as my right hon. Friend conceded today, which compares with the way in which the administration of the Austro-Hungarian empire was conducted, when it was said, hon. Members will remember, that items were put in an endless series of pigeon holes and never recovered. It is in fact a machine without direction. I share the hope of my right hon. Friend that it should go as soon as may be and, indeed, the wish of others of my right hon. Friends that it should go as soon as possible.

I was never, I concede, a fan of the great complexity involved in the system and I must confess to my right hon. and hon. Friends on the Front Bench that I am not totally uninfluenced in my renewed views about this by the fact that the borough of Guildford has received news of a 73 per cent. cut in its grant in 1985-86. This tends slightly to colour my views. I understand that this is called "a search for overall fairness", but it is a little difficult to see exactly how that fairness works out. There is also the difficulty that this news has been received two months before the rate is made by the borough. I know it has been a continual difficulty over the years that the basic arithmetic on which local authorities, both district councils and county councils, have to plan tends to get dumped on them impossibly close to their major decisions on planning their expenditures on services and, indeed, their longer-term projects.

This brings me to the substantial point that I wish to make, and which I think my right hon. Friends have already accepted—namely, that we simply must handle these issues in future in a more strategic, systematic and long-term way to make any kind of sensible economising and to make the drive for higher efficiency sustained and sustainable.

It is perfectly true—this must fairly be conceded to my right hon. Friend — that his undertaking that the target situation for the low-spending authorities will be improved has been met. If I may refer again without apology to my own borough of Guildford, the target of what it may spend of money raised in one way or another has substantially increased. For the coming year, I think that it is something approaching 6 per cent. However, what has not increased, but, as I have already said, gone dramatically the other way, is the grant. It has been cut by 73 per cent., and that announcement reached the borough council about which I am speaking two months before it has to make a rate.

I say to my right hon. Friend — here I depart strongly from the histrionics that we have heard from the hon. Member for Copeland (Dr. Cunningham) and the general view of the Labour party—that I am not against a strategy of reducing the central Government taxpayer support for local government spending. I think that that is a worthy strategy. I can never really understand the modern Labour party's view that more and more taxes should be taken from often very low income taxpayers and families in straitened circumstances to finance substantial expenditure by local authorities, which does not necessarily go the poorest people of all. This is a sort of mad redistribution in reverse of the kind that only the unthinking group of people which the Labour party today is comprised of, could possibly espouse. If it is to be the pattern—I believe that it is right—that we reduce the grant support element to local authorities over the years, it must be done in line with a strategy. It is virtually impossible if it is done by the sort of hiccups and sudden moves that have been operated in recent years.

Why has this difficulty arisen? Again the mechanics are obvious. Each year a terrific fight takes place in Whitehall, and people are so exhausted by the settlement this year that it is in the interests of no party to go on and try to work out a settlement for next year. The Treasury does not want to settle it because it hopes that it might get a still tougher settlement, and the spending and sponsoring departments, the local authorities, do not want to come immediately to a conclusion because they hope, always with fingers crossed, that there will be some better prospects for next year.

Thus, there is no strategy and no one has been able to say over the years to the local authorities—particularly those which seek to economise and co-operate and to be, in the words used by the Minister for Local Government to describe Guildford borough council — a model authority — over three, four, or five years the grant

element will be reduced by so much and you can plan accordingly." Therefore, they have not been able to plan and have been thrown into these great difficulties.

Behind this lies a much bigger question, of which my hon. and right hon. Friends on the Front Bench are well aware. There is no strategy for reducing grant year on year, because there is no strategy yet established of what that grant should be for, what the source of finances should be for local authority functions, and, indeed, what the pattern of local authority functions itself should be.

The Committees and groups that have been formed by the Department of the Environment will have to address themselves to that aspect and make some radical decisions if, as I passionately believe, the amount of taxpayers' money going from central Government to local authorities is to be radically reduced and the independence of local authorities increased in the way that I and many Conservatives wish. If that is the aim, we need a major re-examination of the vast range of functions now financed by local government and inevitably requiring huge injections of central Government funds.

Mr. Laurie Pavitt (Brent, South): The hon. Gentleman's generalisations seem to ignore the fact that ratepayers are also taxpayers, and vice versa. Moreover, he seems to assume that all taxpayers are poor and all ratepayers are rich. In my area the reverse is usually the case.

Mr. Howell: I am making no such assumption. I am simply seeking greater independence for local authorities. I am sure that the whole House will agree that a great deal of the difficulty and bad blood under successive Governments has arisen because of the transfer of taxpayers' money from central Government through the processes of local government into a certain range of functions. I do not expect this to be generally agreed, as I do not believe that public policy makers have yet thought the matter through, but I believe that we shall have to face the question of the largest consumer of local government funds handled through local authorities—education. If teachers' salaries were centrally funded, we might at last begin to move towards the stage at which rate support grant was no longer needed — except for a certain equalisation across the country, the admitted complexities of which are as nothing compared with the vast difficulties and visible injustices of the present system.

The difficulty for Ministers at present is that they are under pressure from the Treasury to reduce the rate support grant each year — from 51 to 48 per cent. and so on down — but the reallocation of functions which would allow a really radical reduction is not yet in place. That vital part of the strategy is not yet established because the breakthrough in thinking has not yet occurred to enable major reform of the range of functions that local authorities are allowed to conduct. When that takes place we shall begin to return to the independence of local government, with local activities financed from the rates, with a certain amount of equalisation grant for areas in greatest need, which was always the intention in earlier days and from which we have departed.

Until that basic difficulty is solved we shall remain in the quagmire of complexities in which Ministers currently have to struggle amid great difficulties, making very little progress and facing a storm of criticism at every turn. The latest attempt to achieve the "overall fairness" to which I rather cynically referred earlier takes the form of a new type of grant-related expenditure calculation, with some very bizarre elements.

A great deal of this seems to relate to the amount of money that local authorities are allowed to spend on leisure facilities. If I have this wrong, I hope that I shall be corrected, and I shall value any comment on this aspect. The new arrangements appear to mean that the greater the charges imposed by local authorities for entry to leisure facilities such as parks and swimming pools, the less grant they will receive, but the less grant they receive, the more they will of course have to charge for entry to those facilities. That merely adds to the great complexities already inherent in the system.

I shall not detain the House further on that aspect, as I believe that we have now all realised that that is the fundamental problem. Until we get the question of functions straight, we shall not get the finances straight.

There is, however, an additional factor, which we debated before Christmas — what local authorities are allowed to do with capital receipts. Here, too, much more fundamental reforms are required. In this context, the right hon. Member for South Down (Mr. Powell), who is not in the Chamber, in one of his fascinating speeches suggested that the Government were wrong to seek to control expenditure of capital receipts, which belonged not to the authorities but to the ratepayers—it is easy to fall into collectivist language and imply that the institutions own the funds—but should instead examine the control and administration of local authority borrowing. He went on to say, amid cheers from the Opposition—erroneous, in my view, as I do not believe that they fully understood the right hon. Gentleman's point — that if local authorities had full control of their capital receipts, but had to raise loans on their own security rather than on the credit and security of central Government, that would be a logical and rational approach to increase the independence of local government.

I do not think that I have distorted the right hon. Gentleman's point. I am sure that many of the authorities now moaning for more access to capital receipts to supplement their budgets do not for one moment envisage having to raise loans and borrow on their own security, and many of them would have great difficulty in doing so.

Mr. Patrick Jenkin: I, too, heard the comments of the right hon. Member for South Down (Mr. Powell), but I do not entirely follow the point that my right hon. Friend the Member for Guildford (Mr. Howell) is making. It is important to put it on record that local authority borrowing is not guaranteed by the Government. I think that that has become more widely known in recent months as some authorities faced with rate-capping have threatened not to pay their debts. That being so, I am not sure that the right hon. Gentleman's point had quite the force that my right hon. Friend suggests.

Mr. Howell: I am interested to know that. If local authorities borrow on their own security and not on that of central Government, that is a desirable state of affairs which should lead to greater independence of local authorities without their activities constantly undermining the Government's economic and financial strategy, which has been a constant difficulty in the past. The question of capital receipts is very much part of the jigsaw and requires further reforms and improvements.

[Mr. Howell]

I end this somewhat one-tracked contribution by repeating what I said at the beginning. We shall have no peace, no clear basis and no feeling of fairness among local authorities, even the low spenders, until we have clearly established what their functions should be and how the rate support grant can fairly be reduced in line with the reduction in the functions on which local authorities are required to spend money.

5.8 pm

Mr. Norman Atkinson (Tottenham): I wish to comment briefly on some of the conclusions reached by the right hon. Member for Guildford (Mr. Howell). The policy of non-payment of debt to which he referred was reached collectively by the authorities concerned when they were thinking of pursuing a policy of non-compliance with the Government's wishes. That has now changed considerably. No doubt, as the debate develops, we shall hear what is the current position on how those authorities can best seek to defend their services and employment responsibilities.

I agree with the right hon. Member for Guildford that the whole miserable system should go and I believe that majority opinion favours that. The curious thing is that the Government have lived with it for five years. Despite their constant references to the inherent injustice of the system, they have merely added to the injustice and are now making it even worse. As the right hon. Gentleman said, the Government's proposals are bizarre—even when one considers the major influences that have driven the Secretary of State to make his decisions and to reduce the aggregates in the way that he has done.

Someone receiving a meal from the meals-on-wheels service would find it incomprehensible if he were told by the person delivering the meal that the reason for his saying, "I am sorry, love, but there is no meat today," was that to all intents and purposes, Britain now had an oil economy and an oil currency, that there had been a row in the Gulf, or a run on the pound, and that the interest rates were worrying the Treasury. Decisions about the quality of local authority services are dictated by external events in no way related to this country's attempts to maintain a welfare system which recognises the priorities to which Conservative Members continually refer.

I want to consider the difficulties created for the London borough of Haringey by Government policy, and the difficulties with which it will have to contend in attempting to protect the local people. The Secretary of State has now taken on the role of sequestrator. Philosophically, he is using the same methods and mechanism as the sequestrators who are tackling the trade unions. In relation to authorities such as Haringey, his functions seem to be identical to theirs.

The right hon. Gentleman was once a member of the borough council of a constituent part of Haringey, and was at one time, I believe, the chairman of finance.

Mr. Patrick Jenkin: Housing.

Mr. Atkinson: I thought that the right hon. Gentleman had been the guru in charge of Hornsey finance. The right hon. Gentleman is familiar with some of the problems of the borough, and I am amazed that he can gloss over so easily the difficulties that now beset Haringey as a normal London borough.

First, there is the formula which the right hon. Gentleman has used in setting targets and in deciding the amount of grant. We hear constant references to the local authorities' spending ceilings and general expenditure limits. As I understand it, the right hon. Gentleman will not legally enforce any expenditure limit except for the purpose of imposing penalties. If a local authority wishes to spend above its target, or above the spending ceiling to which the Department refers, the right hon. Gentleman will not prevent it from doing so as long as the money is not drawn from rate revenue. If the money is found from other resources controlled by the authority—from any savings which the authority may have made—it may use such resources to enable it to spend more than its ceiling in order to maintain services. I take it that the right hon. Gentleman's silence means that I am right and that there is no such thing as a legal ceiling on local authority expenditure.

Mr. Patrick Jenkin: What the hon. Gentleman says is broadly correct. The expenditure level of which we gave notice last July was intended to make clear the basis of the rate limit that I announced in December. It is the rate limit which the House will shortly be invited to confirm, and which will be the legal limit. If Haringey or any other authority has other funds tucked away which it wishes to spend in order to maintain a higher level of spending, it will be free to do so. That will be its choice. The rate limit is designed to potect the ratepayers. It is an upper limit on the amount that an authority can raise from the ratepayers.

Mr. Atkinson: That is a most important statement. It clarifies the Minister's thinking. He is concerned about extracting more penalties out of savings, as he will do if the authorities exceed their ceilings. The penalties inflicted under the present ceiling arrangement will increase the right hon. Gentleman's revenue.

Haringey now has no savings and depends entirely upon the money that it receives from rate revenue. In fixing the maximum amount to be collected in rates the Secretary of State ignores the fact the last year Haringey spent the money that it saved. In rate-capping Haringey at a certain level, the Secretary of State has ignored totally the fact that Haringey had to spend all its savings last year in order to stand still. That has created serious problems for the authority.

Mr. Patrick Jenkin: This is an important point. If Haringey believes that because we have not taken account of the state of the borough's reserves the rate limit that we have set requires of it greater savings than we have estimated, the legislation provides the remedy. However, the borough must get a move on, because I shall very soon have to confirm the limit and lay the order. The borough has a remedy. It may ask for the limit to be raised. I have said so again and again. If it refuses to do so, it must be satisfied with the limit that I fix.

Mr. Atkinson: It is not too late for all the rate-capped authorities to talk to the Secretary of State about such problems.

Mr. Patrick Jenkin: Where are they?

Mr. Atkinson: There is every chance that they are on their way to talk to the right hon. Gentleman about their problems. The implied unemployment is now becoming a

real factor, as is the unfairness that arises where there is a difference of millions of pounds between the savings of one authority and those of another.

The right hon. Gentleman referred to the statement that he made on 24 July. He has also said that there would be only a minimum reduction on the amount that Haringey was to be allowed to collect via the rates. But that is not so. According to the right hon. Gentleman's figures, Haringey must cut its expenditure by nearly 14 per cent., rather than the 3·5 per cent. which the right hon. Gentleman mentioned on 24 July and subsequently. Because, last year, in order to maintain its services and its employment levels, Haringey had to dip into its savings and clear out the cupboard, the borough is now being heavily penalised by the massive reduction being imposed by the Minister. This is an astounding situation and is contrary to everything that the right hon. Gentleman has said.

According to the figures now produced by the right hon. Gentleman, Haringey will receive a total grant of £20·8 million. That is an amazing reduction from 1979-80, when the Government funded 56 per cent. of total expenditure in the borough. The grant has been reduced from 56 per cent. of permitted expenditure to 14 per cent. of budgeted expenditure for next year. The Secretary of State is suggesting that Haringey should restrict its expenditure to £128 million next year, but Haringey says that merely to provide the same services as were provided last year it will need £148 million.

Of the £148 million, the grant is worth only £20·8 million. That is an astounding reduction. It is not a wild exaggeration to say that that is punitive for the people whom Haringey is trying to protect — the most vulnerable. It is one of the most heavily populated areas of London and suffers some of the most severe social deprivation. We have 16 per cent. unemployment—the level is still higher at my end of the borough. Nevertheless, the Government are insisting on reductions in Haringey's expenditure. That will result in massive job losses in the authority. The Government's figures suggest that between 2,100 and 2,300 employees will have to leave.

The block grant system is also grossly unfair because the formula for grant-related expenditure means that there is a maximum variation of only 4·5 per cent. between good and bad authorities in terms of social conditions, not expenditure. That is astounding. Haringey is dealt with exactly like Doncaster and Wakefield, although the unit cost of providing services in such Yorkshire authorities is far lower than in Haringey—far less than 4·5 per cent. The figures that the House is considering show that the differences that affect allocations are insufficiently taken into account.

Mr. Michael Shersby (Uxbridge): I have listened to the hon. Gentleman's argument carefully. What is the population of the London borough of Haringey?

Mr. Atkinson: It is 201,000. Although I understand that the number has come down recently, it is comparable with the areas to which I have referred. The variants that are built into the numbers are insufficient.

Mr. Pavitt: Much of what my hon. Friend has said applies to the London borough of Brent, which has a population of 250,000. Ethnic changes have had a substantial impact. Half of the population being from ethnic minorities requires many differences in rate support considerations to enable us to have a multiracial community. Does he agree that such considerations seem to be missing from the documents before us?

Mr. Atkinson: My hon. Friend is right. The problem is not that the differences are not recognised, but that the variants are insufficient to take account of those social differences.

We should register our dissatisfaction, from a London point of view, with a system that does not take care of our needs. Government grant represents just 14 per cent. of Haringey's budgeted expenditure. Haringey has mandatory commitments involving between £58 million and £61 million. The Secretary of State might shake his head and say that that is irrelevant, but it is an important consideration. When total Government grant is only £20 million and mandatory commitments involve about £60 million, it is clear that if we are to achieve the savings on which the Secretary of State insists—from £148 million to £128 million — the majority must come from job losses. The Secretary of State is coolly telling the House that the great bulk of the savings will come from pushing people on to the dole queue. That does not seem to worry him. No doubt he thinks that some other Secretary of State for the Environment will pick up the tab and that, in the meantime, such savings will solve his problem. The social consequences of such action are enormous in areas such as mine. That part of the argument seems to have been glossed over.

There are many ways in which savings can be made. I do not claim that everything that the public sector does is the epitome of efficiency. There are many criticisms —we all know what they are—but most local authority money is spent sensibly. All of those whom local authorities employ are accountable and contribute to social welfare in the authority's area. If, because of mandatory commitments, so much of the money that must be saved has to come from job losses, the Secretary of State is saying that Haringey must reduce its work force by about 2,000 to 2,300.

That is an enormous cut. The Secretary of State has said that he does not think it possible to cut by more than 5 per cent. in one year, yet here he is demanding a cut of 14 per cent.—nearly three times what he believes is attainable. That is what he is imposing upon an authority that is driven almost spare by the pressures upon it. If that is not upside-down leadership, I do not know what is.

From now on there can only be misery — cuts in services, in jobs and everything else that the Haringey authority provides. Who will benefit? Certainly the people of Haringey will not, nor will the Government. If we consider the aggregate, the Government will be the loser, because it will cost more to get rid of those people than to increase grant support.

We have four requests. There should be a removal of holdback. Secondly, the 1984-85 slope should be retained. The Minister has said with a great deal of pride that he has increased the slope. That is damaging for inner London authorities, because, as the slope is increased, so things will become increasingly difficult. Thirdly, the GREAs should be improved in line with the recommendations of the Association of London Authorities. Fourthly, grant percentage should be restored.

London authorities, particularly those like Haringey, do not want increases in expenditure limits or matters like that to be discussed. What they want is money. They want

[Mr. Atkinson]

more from the Secretary of State than he is proposing to give them. That is where the damage is being done. Surely he does not want to go down in history as the person who cut Haringey's services and denied so many people not just the inheritance that he has talked about in welfare services but their jobs. He will be the biggest butcher of jobs of all time in Haringey if this policy is pursued. Let us hope that it is not too late for him to give hope to people in Haringey by revising the figures.

5.32 pm

Mr. Michael Shersby (Uxbridge): For the past seven months or so I have spent much time discussing the effect of the rate support grant settlement on the London borough of Hillingdon, in which my constituency is situated, and upon the domestic and business ratepayers. During that period I have attended numerous meetings with the leader of the council and his colleagues and I have made the strongest possible representations to my right hon. Friend the Secretary of State and the Minister for Local Government about the way in which the block grant system is operating most unfairly against prudent Conservative-controlled local authorities, particularly in outer London.

The reason for all the activity in which I have been engaged, together with my hon. Friends the Members for Ruislip-Northwood (Mr. Wilkinson) and for Hayes and Harlington (Mr. Dicks), is that by last summer the leader of the council and his colleagues were keenly aware that, unless the calculations upon which the grant is distributed took account of their excellent performance since they came to office some six years ago, it seemed certain that the grant would be too small, the target out of reach and the penalty in terms of grant loss such as to result in a rate increase of over 40 per cent. or massive reductions in public expenditure to maintain existing services at their present level.

The House, and particularly my hon. Friends, will agree that this is serious for a good Conservative-controlled authority which has already reduced expenditure considerably over some six years. It is extremely depressing for the hard-working councillors who have carried out Conservative policy and for the ratepayers who are concerned about what is happening. They are particularly concerned because Hillingdon has, for the past six years or so, delivered an annual rate increase which has been little, if any, more than the rate of inflation. That is a very good record which is appreciated by the business community. In other words, both the domestic and the business ratepayers in Hillingdon have had a good deal from their council and they expressed their confidence in that council at the last election by providing the Conservative party with a substantial majority to continue its policies. One of the key elements of those policies is the control of public expenditure, which has substantial support within my borough, as has been made known to me by residents' associations, business men and many others.

What is the problem that faces Hillingdon and a number of authorities which, like Hillingdon, are not rate-capped? To answer the question it is necessary to examine the grant-related expenditure assessment. Since the 1981-82 First Supplementary Report which set GREA for England at £17·2 billion there has been an increase of 23·4 per cent. in the settlement to £21·22 billion for 1985-86. The GREA for outer London boroughs in the same period has increased by 17·4 per cent. to £1·71 billion. The Hillingdon GREA has increased from £71·7 million by 16·2 per cent. to £83·3 million. That means that outer London has received an increase in GREA which is less than three quarters of the national increase for England as a whole, but Hillingdon has been treated to an even lower increase. Why?

One explanation which has some validity is that Hillingdon provides certain services which were introduced by the previous Labour-controlled council which was in office for some years and which was succeeded by the present council in 1978. Those services relate mainly to education and social services. It has been suggested by some of my colleagues that perhaps we are spending too much on, for example, adult education, the rising-fives programme and nursery education.

If my right hon. Friend feels that we are spending too much on those services, I cannot do better than to draw his attention to the remarks of my right hon. Friend the Prime Minister in the House on 19 February 1973 when, as Secretary of State for Education and Science, she was introducing the White Paper entitled "A Framework for Expansion". She said:

> "Dealing with nursery education, the first major proposal in the White Paper was that within 10 years nursery education should become available without charge to children of three or four whose parents wished them to have it." — [*Official Report*, 19 February 1973; Vol. 851, c. 42.]

Hillingdon implemented that policy. Many people in my constituency find nursery education to be a great advantage, and I share their view.

In regard to social services, we have 12 old people's homes, we provide a subsidised meals-on-wheels and home-help service, and we pay special attention to the needs of the mentally and physically handicapped. I am sure that my right hon. Friend will recognise that if Hillingdon did not provide those services to that extent it would probably not exceed its GREA. If Hillingdon and other authorities are being told to change their expenditure on such services, at least it would be sensible to provide notice and some material help to achieve that objective.

Let us consider the block grant. The first calculation for the 1981-82 financial year was £29·9 million for Hillingdon. The computation for 1985-86 is £17·9 million —a reduction of 40 per cent. I stress that the 40 per cent. reduction has nothing to do with the borough council's spending plans. However, it has a great deal to do with the distributive mechanism for block grant. The reduction for 1985-86 brings the safety-netting process into operation to protect Hillingdon against loss of grant. Hillingdon is not alone. For example, nearly one half of the 146 non-metropolitan districts are in the same position.

Hillingdon is, however, in that select group of eight authorities—with Cumbria and Durham county councils, Chester-le-Street and Forest Heath non-metropolitan district councils, Salford metropolitan district council, Tower Hamlets and Richmond upon Thames London borough councils—which have been safety-net protected against grant loss for each of the five settlements between 1981-82 and 1985-86. Is that not curious? Does my right hon. Friend agree that to require safety-net protection in each of the five settlements suggests that something

fundamental is wrong with the figures that he has set for each of those authorities from the outset of the block grant system?

Surely my right hon. Friend must accept that the order has to apply safety-net protection against grant loss for 161 authorities — approximately 40 per cent. of local authorities in England—which is more than the previous highest number of 142 in 1982-83. That demonstrates beyond argument the instability and manifest unfairness of the system which prevents the proper forward planning of services which Parliament has authorised, and, indeed, encouraged the authorities to provide.

Mr. Patrick Jenkin: I am listening carefully to my hon. Friend's case. As I said in my speech, this year we made more adjustments in the GREAs to take account of representations by local authorities and local authority associations about unfairnesses that existed before. We have recognised them and made changes. Of course, as my hon. Friend says, the safety-net procedure exists to minimise the impact on local authorities which lose grant. I should have thought that my hon. Friend would have recognised that the safety-net procedure is designed to protect authorities such as his from what might have been a greater impact as a result of changes in GREAs.

Mr. Shersby: I do not question the safety-net provision. It is there to avoid excessive losses caused by changes in grant methodology. However, I question the efficacy of a system that necessitates such protection for a large number of local authorities. The system is far from perfect.

Let us consider the effect that this unjust system has upon my constituency. The continuing reduction in base grant, the 15 per cent. increase in grant-related poundage slope and the swingeing effects of the massive increase in penalty—up 250 per cent. from 2p to 7p for 1 per cent. over target—will require the council to slash its services if it is to continue with its previous record, which I have been proud to support, of containing rate rises to the level of inflation, in spite of the adverse effect of excessive grant settlements.

The decision about what action to take rests with the Hillingdon councillors alone. Let me make the options clear to the House. They are a rate rise of over 40 per cent. or service reductions of 15 per cent., equivalent to £11 million, to produce, say, a 5 per cent. increase in line with inflation. They are the two extremes facing local councillors. I do not envy them their task of having to find an acceptable solution. I hope that they will find a compromise somewhere between the two extremes.

I remind my right hon. Friend that I am speaking about an authority which, according to the 1984-85 Audit Commission profile, spent £27, or 6 per cent., per head less than the outer London local government family average. Even after the disastrous effects of grant which pushed rateborne expenditure to £71 or 30 per cent. above that local government family average, it still managed to levy a rate in 1984-85 below that local government family average.

Why, after all the representations by my colleagues and myself, do the Government intend through the rate support grant system to mete out such treatment to a borough such as Hillingdon? Why should I be expected to support a settlement which, at the same time as having a devastating effect on my local authority, can increase the entitlement of one of its rate-capped neighbours by 11 per cent.? I am sorry that the hon. Member for Brent, South (Mr. Pavitt) is no longer in his place, because I am sure that those figures would be of particular interest to him.

I must tell my right hon. Friend that I cannot and will not any longer support a settlement which is so manifestly unjust and which cannot operate with sufficient sensitivity as to take into account the success and achievement of my local authority which is of such a high order that it was described by one of his predecessors in office as one of the blue chip authorities.

I am most grateful to my right hon. Friend and the Minister for Local Government for their constant courtesy and willingness to meet me, councillors and local business men to consider Hillingdon's plight, but I cannot accept that my right hon. Friend has been able to make any real impression on the rigidity and inflexibility of a system which cannot and should not continue.

My right hon. Friend has said today that he hopes in due course to bring forward some proposals for change. I hope that they will be significant and that he can make some meaningful changes for next year.

I have to ask myself what is my duty to my constituents tonight. I am clear that it is to express in no uncertain terms to my right hon. Friend and his colleagues my constituents' grave concern about his inability to meet the reasonable expectations of one of the best local authorities in Britain. I very much regret, therefore, that I shall not be able to support the motion to approve the report.

5.48 pm

Mr. John Cartwright (Woolwich): This is the fifth rate support grant settlement since the Government started to try to control local authority spending under the Local Government, Planning and Land Act 1980. It must take the doubtful prize of being the most complicated settlement yet. It has been made more complicated because it is the first settlement under the new rate-capping regime set up by the Rates Act 1984.

The Secretary of State accepts that the complexity of the settlement makes it almost impossible for anyone to understand it. That must undermine the accountability that is so vital to local government. In the past Ministers have argued that complexity is necessary to achieve accuracy in assessments, but Ministers frequently tell us that grant-related expenditure settlements involve a broad brush approach and a rough approximation.

In fact, we have the worst of both worlds — a complex system based on somewhat dubious assessments. Ultimately, that must become self-defeating. If GREAs cannot be understood, changes in grant cannot be understood. That makes it impossible to explain to ratepayers why their rates vary, which makes the defence of local accountability very much more difficult to mount.

The other major feature that has become all too obvious about this settlement is that the Secretary of State has achieved the dubious distinction of having upset virtually everybody. The metropolitan authorities are unhappy because they are being asked to make real cuts in spending when the majority of the shire authorities are not. The shire authorities are equally unhappy because extra block grant and extra leeway in targets have gone to the so-called overspending rate-capped authorities and not to the more prudent ones.

The Association of Metropolitan Authorities has argued that, on the basis of the Government's inflation figures,

[Mr. John Cartwright]

real cuts in spending are being asked of 65 metropolitan authorities, which is 85 per cent. of the total. In the non-metropolitan areas, real cuts are being sought from only 11 counties, which is 28 per cent. of the total, and from 113 districts, which is 38 per cent. of the total. Not only are the targets generally unfavourable to metropolitan authorities, but the revisions to the target methodology have not helped. Of those authorities that have had their targets increased, only 13 out of 213 are metropolitan authorities. That is the case for the metropolitan areas.

The Association of County Councils argues that the 18 authorities due to be rate-capped have target increases of nearly 21 per cent. and that those authorities alone have taken up 43 per cent. of the total increase in targets available. In a judgment that cannot be very good news for the Secretary of State, the Conservative-controlled Association of County Councils states:

"The introduction of rate-capping, far from benefiting lower spending authorities, has very greatly restricted their share of the total available increase in targets."

That, of course, is not the prospect that was offered by Ministers when they were seeking to encourage their Back-Bench supporters to go through the Lobby in favour of rate-capping, but that is what has become all too clear in this settlement.

As we have heard in the debate already, some of the loudest screams of pain and bewilderment have come from those authorities which have actually done what the Government asked them to do—cut their spending and kept to their targets. As a result they do not find that they are being rewarded in any major way by the Government. The concession that has been granted to the lowest spending authorities is minimal. Those who try to follow what the Government dictate are still being penalised.

My hon. Friend the Member for Portsmouth, South (Mr. Hancock) intervened in the Secretary of State's speech to point to the problems being experienced by the Hampshire county council. Its chief executive said that he regards the concessions being given to authorities such as his as only minimal. He said:

"The gap between the target and the Government's own assessment of Hampshire's needs as reflected in the Grant Related Expenditure Assessment is widening and now stands at £29 million. If the County Council were to spend up to the level of assessed need it would incur penalties of £94 million involving a rate precept increase of a further 40 per cent. So far as Hampshire is concerned the purpose of GREA appears to have been lost."

That loyal Conservative authority clearly feels that it has not been given a proper reward for having stuck so closely to the Government's guidelines.

The same pattern has been clear in London, as the hon. Member for Uxbridge (Mr. Shersby) made clear. The Tory-controlled London Boroughs Association points to the fact that all of its 24 authorities budgeted within 5 per cent. of their target for 1984-85. All but two of them were within 2 per cent. of their targets and 10 were actually at or below targets. Yet in 1985-86 those councils—with the exception of Westminster—will be required to make real cuts ranging from 0·7 per cent. in Kensington and Chelsea and the City to 5·9 per cent. in Hounslow.

The London Boroughs Association, with commendable loyalty to the Government, said that it hoped that its member authorities would endeavour to meet their targets. However, it pointed out that that would be a difficult task, especially in view of the stringent economy that most of the boroughs had exercised for many years.

The system is clearly rigged to keep low-spending authorities as low-spending authorities. Back in what appears to be the almost halcyon days of 1983-84, a 1 per cent. overspend resulted in a loss of grant equivalent to a 1p rate. In 1985-86, a 1 per cent. overspend means the loss of grant equivalent to a 7p rate. It is, therefore, very much more difficult, both politically and financially, to raise spending levels. The new draconian system means that lower-spending authorities suffer most from penalties in relative terms.

The Association of County Councils has pointed out that if its members has overspent their targets in 1984-85 by an average of 1 per cent. the penalty grant loss would have been £68 million. If the same overspend were to take place in 1985-86, the penalty grant loss would be £240 million—an increase of more than 250 per cent. That shows the way in which the small overspenders will be substantially penalised in the settlement before the House.

Together with hon. Members from both sides of the House, I believe that that underlines once again the inadequacy and unacceptability of the whole complex system of targets and GREAs. The whole system is failing to make sense. GREA was originally introduced as an independent measure of what an authority needed to spend to produce a standard level of service. As other hon. Members have said, many authorities have budgets fixed well below the GREA level and are forced to keep them that low by Government targets and by the punitive system of penalties.

We have already heard that three shire counties—Berkshire, East Sussex and West Sussex—would lose all their block grant in penalties if they spent to the GREA level—the level which the Government suggest they need to spend to provide an acceptable level of service. Another four counties — Buckinghamshire, Dorset, Norfolk and Surrey—would lose 85 per cent. of their grant if they spent to GREA level. That undermines the whole case that has been presented during the past five years, that GREA is a useful objective assessment.

I wish briefly to deal with rate capping. I remain convinced that it is an unacceptable interference in the affairs of local government. It is obviously interference in the affairs of the rate-capped authorities. It is now becoming all too clear that it also interferes in the affairs of the non-rate-capped authorities, because they are losing grant which they might otherwise have had if it had not been diverted to the rate-capped authorities.

The effects of rate capping are clearly much greater than the Government originally thought. That results from the distortions that are produced by the whole system of targets and penalties. In earlier years a number of the rate-capped authorities understated their budgets to qualify for more grant, which now has an impact on their expenditure limits.

The expenditure limits which the Secretary of State announced on 24 July did not, at first sight, appear unreasonable. He was asking for a cash freeze in 15 authorities and a 1·5 per cent. cash reduction in the GLC, the ILEA and my borough of Greenwich. Closer analysis shows that the expenditure limits were much tougher than that. The Secretary of State has taken a very narrow view of expenditure in 1984-85. He has chosen to ignore expenditure being financed from special funds and a

variety of other what are now called creative accounting devices which councils have been forced to adopt to minimise grant penalties. The effect of that was to turn what was claimed to be a cash freeze into an average real cut of 11·9 per cent. for the rate-capped authorities. Individual councils face real cuts of between 6 and 28 per cent. to get down to the expenditure limits.

The Government on the one hand, and rate-capped councils on the other, are taking part in a damaging game of political brinkmanship, and what is at stake is the quality of services provided to local people. I fear that the local people will be the losers in this battle. Rate-capped councils should stop their political posturing and negotiate with the Secretary of State. Meanwhile, the right hon. Gentleman should be as flexible as possible to correct what are clear errors in the original expenditure limits that he fixed. We should accept that this is not a private fight between Conservative Ministers and Labour councillors. We are talking about extremely important services on which many of our constituents depend.

Mr. Tony Banks: Is the hon. Gentleman aware that, by their actions, the Government have turned this into a party political fight? The decisions now being made by Ministers are based, not on a rational assessment of need, but on party political spite. What other response does the hon. Gentleman expect Labour-controlled authorities to give?

Mr. Cartwright: If the rate-capped authorities have a good case—I do not accept it in its entirety, though I accept it to the extent of believing that the expenditure limits imposed by the Government are sometimes based on faulty information—I cannot understand why it should not be argued with all the power at their disposal before the Secretary of State. That is what councillors were elected to do, but they fail in their duty if they simply sit on the sidelines trying to extract political benefit from the brinkmanship that is now going on.

We have in Britain a rating system that is unloved and unreformed. Not only are rates an inappropriate tax to carry the heavy burden that is placed on them, but rateable values are wildly out of date and the Government have not fulfilled their promise on revaluation. In the White paper, entitled "Rates", Cmnd. 9008, of August 1983, the Government said about non-domestic rates:

"Significant changes have occurred in the relative values of some categories of property since the 1973 revaluation."

The Government accepted that that had

"distorted the tax base. As a result, rate bills for some categories of property are much higher or much lower than they ought to be. In particular, the relative rental values of large, old buildings, occupied by labour-intensive industries, many of them in the Midlands and the North, have in general declined substantially since 1973."

The Government also said:

"These distortions should be rectified. The Government propose to set in train the work required for a non-domestic revaluation."

Referring to domestic values, the White Paper said:

"The Government are considering urgently the case for a domestic revaluation and will issue a consultation document as soon as possible."

Those clear commitments were given 18 months ago, but we have seen no indication of what will be done as a matter of urgency to deal with the distortions in the system of rateable values.

I agree with hon. Members who argue that changes are needed in the system of local government finance, but we need a more radical change than some have in mind. There is no lack of evidence on and results of research into the problem. It is more than eight years since the Layfield committee presented its report based on two years of detailed expert work. The Government undertook their own consultation exercise in the last Parliament. Yet now we are promised another series of inquiries and studies into the whole problem of local government finance.

We need no more research and study, but the political will to change the system. We must accept that there is no ideal system, one that is proof against every possible criticism. I remain convinced that Layfield was right when it recommended that the only way forward was the introduction of a system of local income tax to replace or supplement the system of rating. The computerisation of the Revenue has made that a more practical proposition than it was in 1976. The sooner we get on with the job, the better for the ratepayers and the health of local government in Britain.

6.5 pm

Mr. Churchill (Davyhulme): I agree with the hon. Member for Woolwich (Mr. Cartwright) that low-spending authorities are boxed in should they seek to increase their expenditure.

I have great sympathy with the Secretary of State. Those, if there be any, who would present him with bouquets are significantly absent from the Chamber, whereas those who wish to belabour him with brickbats are here in force, and I regret to tell him that I find myself in that latter category.

Last year the Secretary of State undertook to assist low-spending authorities. Much has been said about the plight of the shire counties, but not only those counties are suffering. As the representative of part of the metropolitan borough of Trafford in Greater Manchester, I assure my right hon. Friend that we suffer the same problems with a vengeance.

The Secretary of State claimed to have honoured his pledge, given last year, to assist the low-spending authorities on the basis of the 4·625 per cent. increase. In consequence of that increase, Trafford has benefited to the extent of £267,000 in the current settlement but, regrettably, because Trafford is labelled a high-resource authority it will lose £56,000 of that in grant if it spends the extra money, for we suffer from what is known in my right hon. Friend's department as a negative marginal rate of grant. As a result, we lose 21p in every pound. While, therefore, I am sure it was not my right hon. Friend's intention to mislead the House, his opening remarks today were not accurate in the case of Trafford borough council.

Thus, while the net benefit from this special dispensation for low-spenders is barely £200,000, in almost the next breath my right hon. Friend is again removing £2 million in grant from Trafford. Our grant is being cut from £20·5 million this year to £18·5 million next year, and we have recently been informed that we have lost a further £1·05 million on notifications of adjustments on previous years.

Mr. Straw: The hon. Gentleman says that his authority's grant has been reduced from £20·5 million to £18·5 million. Does he appreciate that that grant this year would have been only £18·5 million but for the fact that his authority was given grant that was taken away from so-called overspending local authorities? In other words, his

[Mr. Straw]

borough is the classic example of a lower-spending Conservative authority benefiting through the grant system from alleged overspending by Labour authorities.

Mr. Churchill: I am all in favour of the borough of Trafford benefiting from the excellent rate-capping policies of the Government. My complaint is that we do not seem to be benefiting. The bottom line for my constituents is that, in spite of the Secretary of State's promises and the £250,000 added to us for being a low-spending authority, Trafford is this year losing £3 million, or 15 per cent. of its rate support grant, and that is an unacceptable level of penalty.

I regret to say that this is not a one-off situation. Last year we lost £2·5 million, and the year before that £1·9 million. In the preceding year we lost £2 million. If we take a 10-year perspective, it is estimated that at current prices, and allowing for the transfer of part of the grant to the Greater Manchester council, Trafford's 1975-76 grant would be worth £40 million. If the 26 per cent. overall reduction nationally in rate support grant is applied, Trafford's grant this year, on the basis of the 1975 settlement, would be £29·6 million. That means that Trafford has lost £11 million over and above the national reduction.

I am sure that my right hon. Friend the Secretary of State will concede that no local authority could have followed the Government guidelines more closely than Trafford. In each of the past four years it has been within £2,000 of the low side of the Government's guideline, with the exception of 1983-84, when it undershot by £1·75 million. I believe that Trafford should be congratulated on the responsible way in which it has budgeted and sought to remain within the Government's guidelines. However, it has been losing about 10 per cent. of its rate support grant year in and year out.

This year the Government have excelled themselves. Trafford's loss this year, including the clawback of £1 million in respect of previous years, is about 15 per cent. What is the Secretary of State's purpose? Why does he insist once again on kicking in the teeth his most loyal supporters? I freely exonerate my right hon. Friend from any charge of malice. However, following his remarks in opening the debate, about the complications of the formulae and the abstruseness of the acronyms that are involved, we must wonder whether he and his ministerial colleagues begin to understand the system, let alone its unfairnesses.

Trafford suffers from being labelled a high-resource area. One of the key reasons for that is that it encompasses the vast industrial area of Trafford park. As is recognised in a recent White Paper, which was referred to by the hon. Member for Woolwich, the industrial areas of the north of England are seriously overvalued and, therefore, overrated. The Government's failure to proceed with a rating revaluation—there has not been one since 1973—means that my constituents are being penalised in each RSG settlement.

Trafford is not alone in being labelled a high-resource area. London is in the same boat. However, unlike London, Trafford does not have its difficulties acknowledged by the Government. The London boroughs benefit from the effect of the so-called multiplier. Paragraph 9 of the rate support grant White Paper states:

> "Multipliers are a device for adjusting grant entitlement. They can be used for a number of reasons—for example, to . . . discount part of the rateable resources in a particular area eg in London".

Why should all the privileges and cash go to London? Why should an industrial northern area such as Trafford not be entitled to benefit in the same way and to be protected from being, allegedly, a high-resource area?

Mr. Simon Hughes: I appreciate the problems which the local authority within the hon. Gentleman's constituency has to face, but the implications are the same when a London borough has suffered a reduction in its share of the budget from 16 to 15 per cent. If that happens, we may reach a similar conclusion. I hope the hon. Gentleman will agree that he cannot conclude that London must be happy because it is a net beneficiary of the readjustments of which he is complaining, because it is not.

Mr. Churchill: London has benefited for a long time from the multiplier effect. Its effect is to enable most London boroughs to enjoy a discount of 30 per cent. I believe that Tower Hamlets receives a 45 per cent. discount. This obviously has a bearing on the resources available to it. If this system were applied at the London level in the Manchester borough of Trafford, the resources that it receives from central Government would increase by £12 million to £15 million. I ask my right hon. Friend the Secretary of State to take into account the clear bias and unfairness that exists because there has been no proper rating revaluation. This has had an adverse effect on industrial areas in the north. Secondly, high-resource areas such as London are discounted, whereas Manchester is not.

Last year I and my hon. Friend the Member for Altrincham and Sale (Sir F. Montgomery) took on trust the assurances of my right hon. Friend the Secretary of State and his ministerial colleagues that positive steps would be taken to help low-spending authorities. I cannot accept that to give Trafford £211,000 with one hand and to take away £2 million with the other is an acquittal of that promise. As a strong supporter of the Government's policies across the spectrum, it will give me no pleasure whatever to be unable to support the Government when the House divides later this evening.

6.17 pm

Mr. Peter Pike (Burnley): During the election campaign prior to the Conservative Government taking office in 1979, Conservative party candidates promised to give more freedom to local government. They promised also to abolish the rating system. Local government has not been given more freedom. Indeed, it has been subject to increasing restrictions year after year.

I was involved in local government until last year. At the time when I was elected to this place, I thought that local government had seen the worst of the Government's impositions. Unfortunately, local government finds itself in an even worse position. The controls that the Government have placed on capital and revenue expenditure have tied down local government and made it impossible for councillors to do the job for which they are elected. I often wonder now why members of the public stand for election as councillors. If elected, they will be unable to do the job that they wish to carry out on behalf of those whom they represent.

We have seen no change in the rating system since 1979. I recognise that the present system is an easy and cheap form of taxation and that it is difficult to agree on an alternative system that would not produce more anomalies and problems. However, the Government have failed to meet their promise to abolish the rating system.

A considerable burden has been transferred from the Government to local ratepayers since the Government were elected in 1979. The RSG settlements since 1980-81 show that a massive burden has been transferred from central Government to local ratepayers. That would be so even if we assumed that there had been no inflation and that the costs of running local government during that period had remained static. The 1980-81 RSG settlement was 61 per cent. In 1981-82 it was reduced to 59 per cent., in 1982-83 to 56·1 per cent., and in 1983-84 to 52·8 per cent. For the current year it is 51·9 per cent., and we are talking of 48·7 per cent. for the following year. That means that an additional burden of 13 per cent., which would have been borne by the Government if the settlement were still 61 per cent., has been transferred to local ratepayers. At the same time, additional burdens and tasks have been thrown on local government by central Government.

The Government admit that they cannot assess the costs borne by local government. It is extraordinary that the Government can introduce policies without fully knowing the cost implications to local government in terms of staff and revenue. It is clear that, even without taking account of holdback and penalties, the Government are responsible for most of the rate increases in recent years.

The Secretary of State referred to rate increases next year in single figures, yet the Association of District Councils forecasts that 67 shire district councils will need rate increases of more than 20 per cent. and 164 district councils will need increases of between 10 per cent. and 20 per cent., with the average increase likely to be 11·7 per cent. The ADC is certainly not a Socialist-controlled body, yet it says that this year's RSG settlement is harsh, and I certainly agree.

My hon. Friend the Member for Copeland (Dr. Cunningham) said that 38 out of 39 shire counties had cash targets below their grant-related expenditure assessment level. Lancashire is in that position. If Lancashire county council were to spend up to its GRE figure, it would incur penalties of £46 million. The GRE is, however, the level considered to be necessary to provide a typical standard of service, according to the Government's criteria. That level is not determined by the local authorities; it is the Government's basis for determining what a council should spend.

Lancashire's GRE is just over £532 million and £22 million over its cash target figure. Expenditure above that level results in the council incurring a penalty. That is nonsense. To maintain its present level of services next year, Lancashire would need to increase its precept by 46 per cent. I do not envy the councillors' unpleasant task of dealing with their budget in the months and years ahead. The council really needs to spend more on education and social services, and surely it cannot be expected to cut fire, ambulance or police services.

I am annoyed about the way in which we allow subsidies to be provided for private residential homes for the elderly. There has been a massive growth in the number of those homes. Would it not be far better to allow those Government subsidies to be transferred to local government to provide care for the elderly than to permit profit to be made from them? If the Lancashire county council does not make economies, the ratepayers will be heavily penalised by the Government. That is wrong. The Government must think again about their proposals.

The position of the borough of Burnley differs from that of the county of Lancashire. The borough's cash target is higher than its GRE. The GRE assessment for the year ahead is £5,422,000, which is £50,000 less than this year. We are not certain why the figure is lower. The cash target has increased by 3·75 per cent. on this year's target to £8,481,000—much higher than GRE. During the current year, the council is budgeted to spend slightly over its cash target. If the council budgets in 1985-86 to spend at target, what will happen as a result of the Government's proposals for next year's RSG? The reduction in grant alone will cost Burnley ratepayers £510,000, or the equivalent of a 6p rate on top of this year's 40p rate. Just to spend at target, the council will have to increase the rate by 8p to 52p. That is what will happen without inflation and extra services.

At the top end of spending on this basis, the rate of grant will be down by 12·5 per cent. That is the penalty incurred for having a cash target higher than GRE. Once a council spends above its GREA, the rate of grant decreases. When a council spends at the threshold level, RSG decreases again. That causes a considerable difference at the top level of 12·5 per cent. That is what the measures will mean to Burnley next year.

Burnley council feels that its GRE is far too low. That point has been made on many occasions to Ministers, but there has been no reaction from them. It is nonsense for Burnley to experience such a large difference and to receive such a large part of its grant at the lower rate once it has gone above GRE. The ratepayers of Burnley must, therefore, meet a much higher percentage of the cost, and that is wrong.

The Government recognise Burnley as a deprived area according to its designation in the Inner Urban Areas Act 1978. In 1983, Burnley was designated as a deprived area. Because expenditure arising from Burnley's designation is not disregarded and because there has been no adjustment in GRE, there have been revenue implications. Burnley can, therefore, incur further penalties, and that is wrong.

Burnley has not yet finalised its budget for 1985-86. At this stage, its estimates are well above target. Burnley council is not a high spender or overspender. Burnley is an old industrial town. It is like other towns in Lancashire, such as Preston and Blackburn, on which this country's wealth was built during this century and the last. Those towns, which have experienced industrial dereliction, must deal with many problems. Inflation has caused some increase in expenditure, because the inflation rate is higher than the increase in target.

I am worried about the fact that, year after year, the Government fail to recognise that capital allocations have revenue implications. Many people, on noting housing investment programme allocations, tend to think that that money is handed on a plate to local government. They do not think of HIP as permission to local authorities to borrow money or of the revenue implications. Capital allocations affect staff and thereby revenue.

Each year, Burnley council has great difficulty in ensuring that revenue demands are containable within the budget. Our HIP allocation is totally inadequate. Indeed, next year's allocation has been decreased by £1 million. We cannot deal with the housing problems facing us in

[Mr. Peter Pike]

Burnley. Burnley and many other towns are heading in the near future for a housing crisis in the public and private sectors, but that is a subject for another debate. It is appropriate to consider the revenue implications of the HIP allocation in today's debate.

When I was chairman and leader of Burnley borough council I believed that the grant portion of the HIP allocation had only a small revenue implication and that the council should spend more of the grant in the private sector because the revenue implication was less than new build of sheltered housing or improvement of council houses. However, the 10 per cent. revenue implication for Burnley on meeting the debt charge for improvement in the private sector is now running at about £250,000 which is equal to a 3p rate.

Mr. Straw: Does my hon. Friend accept that there are indirect as well as direct revenue implications from HIPs in boroughs such as his and mine upon all the current services of the borough and Lancashire county council from not solving the mounting housing crisis due to the additional burdens that will be placed on the social services?

Mr. Pike: I accept that point. The burden on social and other services will increase rapidly. In the long run, the cost to central Government will be high because we will reach a stage where we can no longer improve the housing stock but will face demolition and clearance, which is far more costly.

Ministers often imply that council balances are too big and that they should reduce them. As I have said more than once, a balance can be used only once. Once it has gone, the implication has to be met the following year. It also reduces revenue because interest is obtained on investments.

Next year only 20 per cent. of capital receipts can be used. That has serious implications. This year Burnley will have spent the 40 per cent. permitted. That will reduce the income to the housing revenue account from the money that has been invested and held in reserve. I utterly oppose the reduction. Capital receipts supplement the capital programme. If the council can pay from capital receipts, there are no revenue implications. Councils should have been permitted to continue to spend at the present level of their capital receipts.

Burnley is not an overspender. That applies to all Labour-controlled councils which are referred to continually as overspenders. They are trying to provide services for the elderly and transport for those who need public transport, to improve industrial requirements to maintain jobs, and to clear industrial dereliction and take their boroughs and citizens into the next century in the type of environment to which they are entitled. They are not overspenders. I challenge the Secretary of State to come to north-east Lancashire to see its towns. If he believes that we are overspending, let him tell the public what he would want to cut and where we could save money. I am opposed to the Government's proposals for next year's RSG.

6.33 pm

Mr. Robin Squire (Hornchurch): Unlike most speakers, may I begin with a kind word for my right hon. Friend the Secretary of State? *[Interruption.]* I have no interest in the Secretary of State. My kind word arises from the outcome of the 1984-85 settlement. It is worth putting that on record, because we were told then by many prophets of doom that rate increases would be 15 to 20 per cent. They turned out, as my right hon. Friend said, on average to be 5 per cent., and some were even reduced.

My right hon. Friend has also said that he believes that the picture will be similar for the 1985-86 settlement. I join him in hoping that that will be true as I need no convincing that high rates are damaging to employment prospects and industry generally.

I hope that my right hon. Friend who is to reply to the debate will take it in good part if I devote the rest of my speech to analysing the 1985-86 settlement with, I hope, constructive suggestions of how we may proceed a little better.

It is perhaps stating the obvious that no one but the Treasury seems to welcome the RSG. This year is no different from any others. There seems to be a growing tendency for so-called high and low-spending authorities to claim piously that they, more than any other group of authorities, have been treated worse by the settlement. A moment of thought will convince us that both groups cannot be right. It is a consequence of the complexity of the system, which, in fairness, my right hon. Friend the Secretary of State has acknowledged, that all groups of authorities sooner or later find themselves out of sympathy with one or other of the many complex ways in which the settlement operates.

I shall consider, first, the rate-capped authorities. I fear that one consequence of the system will be the reduced accountability of rate-capped authorities to their electorate. The Government's stated intention is to have low rate rises and lower expenditure in real terms. In broad terms, I applaud that. As a consequence of the settlement, some authorities have received more grant and many have received easier targets. Let us consider the example of the Islington people's republic. It did not receive any grant in 1984-85. It has now been rate-capped and is scheduled to receive £25 million in 1985-86, and, because targets are based broadly on 1984-85 budgets, its target will be only 1·5 per cent. down on that figure, which, in relation to other London boroughs, was comparatively high.

I accept that penalties for overspending have been made considerably more severe in this settlement, although they are predominantly——

Mr. Jeremy Corbyn (Islington, North): How much grant is Islington due to receive in the next financial year under the settlement announced by the Secretary of State?

Mr. Squire: As I said to the House a moment ago, according to the figures that I have, Islington is scheduled to receive £25 million in 1985-86. No doubt if I am wrong the hon. Gentleman will give us another version.

The effect of raising penalties on overspending will be felt proportionately more by the marginal overspenders than by the large overspenders. It is difficult to get away from the feeling that at least some of the wages of sin are high grants.

The key point is that the total of the grant adjustments and various assumed spending level adjustments affect rate demands by much more than adjustments in local authorities' spending levels. That worries me a great deal. I believe—I hope that my right hon. Friends accept this —that we should be moving towards greater accountability of local authorities to their electors, rather than

appearing at times to be moving in the opposite direction. I contrast that with the position of low-spenders. This year —this is welcome—they received an improvement in their target figures of 4·5 or 4·625 per cent. on their 1984-85 budget.

However, the system, in effect, underplays the cumulative effect of years and years of overspending or underspending. Regardless of one's political view, that means, as we have already heard today from other hon. Members, that many so-called low-spending authorities face massively steep cuts in Government support. I can give a few examples. The royal borough of Kingston falls from £15·7 million to £14 million; Surrey county council falls from £46·5 million to £36·2 million—at that rate it will receive no grant in another three years—and Essex county council goes from £147 million to £132 million. They are all low-spending authorities. I know that my right hon. Friend, when he replies, will say that it is an unavoidable consequence of the system, arising from its treatment of high resource authorities, but it comes a little hard on such authorities when they compare that treatment with the treatment apparently meted out to the high-spending authorities.

I will use my own authority, the London borough of Havering, to illustrate what I think will happen in London. If I get it wrong, I am sure that my right hon. Friend will point me in the right direction. The London borough of Havering, like most outer London boroughs, is a responsible authority. As I understand it, the GLC capped precept for 1985-86 will be under 1 per cent, less than the current year, so we can probably assume that there will be approximately the same precept for the coming year as for the current year.

In addition, outer London boroughs will need to find the LRT precept of 10·8p. There is an overall reduction —we all know about it—of central Government grant, and clearly London will take its share of that reduction. All boroughs must also find money to fund the inflation-adjusted cost of their existing services, plus the inevitable improvements in some services. I do not believe that it is possible to find all that money without having a rate increase higher than the rate of inflation. I say that with some sadness, because I hope that we would seek to have rate increases at or about that level, but I am worried that it would be difficult, if not impossible, for that to be so in outer London.

I should like briefly to put down a marker for the settlement for next year. I noticed that it was done in the debate last year, albeit in a different context. My short and simple point concerns the financial arrangements for the abolition of the GLC. The present proposal is that certain functions will be charged to the boroughs on the basis of population, whereas in the past they have been charged on the basis of rateable values. I am the first to accept that in theory, by the time that we have passed through the equalisation process and all the other measurements, everything will turn out to be exactly the same, but that is in a perfect world. In this respect, perhaps more than in most others, I submit that we do not live in a perfect world. There is real concern in outer London boroughs that they will suffer as a result of the proposed new basis. I hope that my right hon. Friend will consider that problem in time for next year's settlement.

I should like to place on record the importance of the continuation, for much of London and the London boroughs, of the equalisation scheme whereby the inner London high resource authorities fund the rest of London. Much of that resource is generated by the activity, in employment or shopping terms, of outer London residents, and it is only fair and proper that they should continue to have some share of that benefit in the future.

With regard to grant-related expenditure, I should like to follow some of the interesting points made by my hon. Friend the Member for Uxbridge (Mr. Shersby), who is not at present in the Chamber. I welcome the improvements which have been made in refining GRE statistics, although there are still one or two bugs in the system. The two largest areas of expenditure are education and social services. The GRE figures for London boroughs show that no more than two or three of the outer London low-spending boroughs can come down to anywhere near the level of their GRE figures. I shall need some convincing that that is because they are wild overspenders and not because there are inherent faults within the system of measurement which, I am sure, also apply outside London. It seems unlikely in the extreme that all the otherwise very responsible authorities should consistently find themselves way above the figures for grant-related expenditure. If targets are to be abolished some day, and if GRE is to become virtually the sole source of control and measurement, reform will become even more essential because of its higher elevation within the system.

I welcome—as I am sure almost every hon. Member must—the recent announcement of a review of the system of funding local authority expenditure. However, there is some danger of the announcement that there is to be a review of local authority finance becoming the equivalent of, "Your cheque is in the post." None the less, we cannot have everything in life. Above all, I assume that my right hon. Friend will confirm that there cannot realistically be a prospect of a new system being in place before the next general election. Therefore, we shall be looking at at least three settlements—or perhaps more—the basis of the present system. That is why it is so important to improve it.

The present system relies on rateable values that are now 12 years out of date. It relies on a total rate support grant that has fallen below 50 per cent. On the basis of the principle that he who pays the piper should call the tune, now that local authorities are meeting more than half the expenditure, will my right hon. Friend, as a starter, consider removing the existing targets and controls from low-spending authorities, as they are already paying, in virtually every case, more than half the cost of their services? That suggestion at least seems to be worth looking at.

I remain convinced, as I think several hon. Members know, that the only real solution is a major long-term reform which above all recognises the social revolution that we have experienced. The old concept of one rateable unit and one wage earner in a household has long gone out of the window. The fact is that several earners within a home are competing, so to speak, with those homes with only one earner and it is the central fault of the present system. That is the only reason why putting still greater weight on local expenditure, as against income tax, must remain a little suspect until the necessary reform is in operation.

In essence, the whole problem with targets and penalties is that, the more we have, the more we seem to need. Perhaps it is a consequence of pressure building up. The more we seek to stop pressure here and there, the more

[Mr. Squire]

we seem to need it. It is almost a form of addiction—a sort of local government bondage. The more controls we try, the harder it is to give up the habit.

Years ago the last Labour Government—it was years ago, fortunately — successfully managed to shovel largesse to their friends quite shamelessly year by year. Today, despite a vast amount of human and computer effort, and consequent expense, we simply cannot do that. That may be a gain or a loss, depending on how people look at it, but it is a reality. Perhaps, until we get the necessary reform, the safest thing for all of us to accept is that virtue in general will be sparsely rewarded, and that those seeking to achieve anything better than that will have to look forward to the long-awaited outcome of my right hon. Friend's review.

Several hon. Members *rose*——

Mr. Speaker: Order. Before I call the next speaker, I should tell the House that I understand that the first Front Bench speaker would like to rise at about 9 o'clock. I estimate that if those who are in the Chamber now speak for approximately 10 minutes each, I shall be able to ensure than everyone who wishes to participate in the debate will be called.

6.50 pm

Mr. Jeremy Corbyn (Islington, North): There is a common theme to debates on local government matters —that, in the many hours intervening between the time when the Secretary of State opens the debate and the Under-Secretary replies, there are no speeches in support of Government policy either from Tory or Opposition Benches. That is because every hon. Member is under great pressure from his own local authority or from people in his area, concerning local authority services and the way in which Government funding is continually taken away from local authorities.

With glee, Tory Members ritually attack the inner city authorities, the Greater London council, the metropolitan counties and all the others, and have voted through the Rates Act and with it rate capping. They will rue the day that they did that, because the Government are fundamentally attempting to destroy democracy for local government. They have been doing so since 1979. The political principle on which they have operated is sheer selective vindictiveness against the poorest people in the country. Every inner city area has been penalised by the Government because the Government's notion of overspending is that, if a council tries to provide services that go some way towards meeting some of the needs and aspirations of the poorest people, they kick the council in the teeth. If a council continues to do that, despite the Government's blandishments, it does not get kicked in the teeth, but has its head cut off and suffers an unprecedented media barrage inspired by the Government. If one looks at any inner city area, one finds that disgraceful pattern.

The Government's policies are not only unpleasant and vindictive but, in their own economic terms, very short-sighted. If all those councils made the cuts that are requested by the Government, what would be the cost in economic terms of paying redundancy money, unemployment benefit and supplementary benefit, and of the loss of tax income, rate income and all the other incomes that would be lost from those deliberately made unemployed by Government policy? There is a circular effect. The Secretary of State for the Environment might not care to reflect on that side of it, but when his term of office ends, as I hope it will soon, he might care to reflect that, during his time as Secretary of State for the Environment, he has done more damage to local government than any of his predecessors, without exception, because he has sought to destroy the very basis on which local government was set up.

Mr. Nicholas Baker (Dorset, North): I have great respect for the hon. Gentleman because I know that he has some knowledge not only of inner cities but of Dorset. However, can he modify his strictures a little? Under the system, a county such as Dorset, which has followed the Conservative Government's guidelines, comes out worse, so it is said, than many other local authorities, particularly in inner city areas.

Mr. Corbyn: I thank the hon. Gentleman for his intervention, because it illustrates my point.

I represent an inner city area that has suffered badly at the hands of the Government, on rate support grant. It must be said that Islington borough council has not sought to follow the Government's guidelines on spending and has been penalised. However, county councils, shire counties and others that have followed the Government's guidelines are now also being penalised and the Government seem unable to recognise that a county council has services to maintain, often at great expense, as do councils in rural areas—something which, again, is not understood by the Government.

Tory Members might rub their hands with glee at the attack that the Government are making on Islington and other councils like it, but the time will come when the same attack will turn on them. There is an inexorable logic in the Government's process of destroying all local authority independence and democracy as they proceed over the years. Therefore, I hope that tonight there will be a large rebellion by Tory Members against the report, because it will destroy all forms of local government as the Government carry on destroying the welfare state.

I should like to refer to the effect of the Government's cuts on my constituency and Islington borough. I shall try to demonstrate to the House that, had the Government not changed the rules on local authority spending and not so shamelessly attacked certain borough councils, this year the ratepayers of Islington would not face large rate bills but there would be a cut of about 50 per cent. in those bills. That would have happened if the Government had played by the rules under which the current borough council in Islington was elected in 1982. The same could be said of many other local authorities.

The Secretary of State has said that the borough of Islington's budget should be £85·6 million. The council carefully examined all the costs of its services, the needs of the poorest people whom it represents and the implications of the manifesto on which it was elected in 1982. It feels that the budget should be £94 million. That argument can be supported in detail by the borough council. If the Secretary of State wishes, he is free to visit the borough of Islington and find out for himself what is going on there. I renew my invitation to him to come to Islington and join in a public debate on why he selected it for such vindictive treatment. I understand that the last time that he visited Islington he took part in a dinner of the Conservative association——

Mr. Tony Banks: Has it got one?

Mr. Corbyn: The borough has a Conservative association, but it keeps behind closed doors.

The Secretary of State proposes a cut of £8·4 million in the budget of the borough of Islington. The effects of the cut would be felt by everybody in the borough. There would be a loss of around 800 jobs, the closure of several important facilities and cuts in the street sweeping services, the library service, services to help those with disabilities, day centres for the elderly, and home help services. With that tale of misery, a further 800 people would be in the dole queue in a borough where the unemployment rate is already well over 20 per cent. In the two Department of Health and Social Security districts that cover most of my constituency, there are already over 34,000 registered claimants. Therefore, by any stretch of the imagination, it is an area of high unemployment and enormous, grinding poverty.

The Government's solution is to take money away from my borough and my constituency by cutting rate support grant and health spending and by rate-capping the other two authorities that are of great assistance to us—the Inner London education authority and the GLC. Therefore, we are not just rate-capped but tri-capped by the Government. I hope that the Minister for Local Government, for one, will begin to understand—he has some experience of local government—exactly what the effect of all that is.

If the Government had not altered the rules on holdback of grants, the borough of Islington would be £23 million better off. If they had not altered the slope, we would be £28·1 million better off. If they had not changed the rules on the GRE formulae on housing expenditure, we could have a budget of £94 million, which is what is needed for this year, and there would be a rate reduction this year of 40 per cent. for the ratepayers of Islington. That is the truth, which the Government are not prepared to listen to or concede. They are guided in their proposals for local authorities not by notions of efficiency or of the way in which local authorities should be run, but simply by vindictive action against the poorest inner city areas. That is what the rate-capping proposals are about. That is what the abolition proposals are about. That is what the rate support grant cut is about.

In examining each local authority's performance, instead of penalising those which attempt to provide for the needs of the elderly and single people and the housing problems in inner city areas, the Government should look at the high unmet need in any inner city area. I happen to represent Islington. Its needs are not that different from those of any other inner city constituency. We would like more home helps working for the council, more day centres for the elderly and better facilities for the physically and mentally handicapped, because in all those areas there are waiting lists, not at the wish of the council but simply because the Government treat our local authority in the same way as every other.

I believe that we are now coming to the end of the period when local authorities were in a position to argue with the Secretary of State and, if necessary, raise the rates in order to maintain services. That is a painful process that local authorities have gone through every year since 1979. But since the announcement of the rate-capping proposals and the further cuts in the rate support grant, we are reaching the end of the road on which local authorities can negotiate their way out.

The Secretary of State has succeeded in uniting a large number of local authorities of differing areas and in some cases differing needs, uniting all the local authority trade unions in support of those authorities' policies, but also uniting a huge volume of public opinion against the Government because people in the poorest inner city areas realise that public spending through local authorities matters, it is important, and it is a way of redressing some of the imbalances that are endemic in society as it is currently organised.

Mr. Tony Banks: Is not the point that my hon. Friend is making further support to the point that I tried to make to the hon. Member for Woolwich (Mr. Cartwright) when he suggested that Labour authorities should go and argue their case with the Secretary of State? The Secretary of State is not interested in listening to a rational case. All the evidence on local government restructuring in the country is against what the Government propose, but the Government wilfully ignore it. What is the point of listening to people who have open mouths but closed minds?

Mr. Corbyn: Precisely. The Secretary of State continually says that the local authorities on his hit list should come and negotiate with him and talk to him. Frankly, they have had nothing but attacks from him for the past five years. Why should they assume that anything will be different now? Why should they assume that he wants to do anything but try to destroy the unity that has been built up between those authorities and the trade unions that support them?

The Secretary of State has created a monster in his rate support grant proposals and his rate-capping proposals. He has created the most enormous opposition to himself and the Government. The Government may well squeeze this nasty little measure through the House tonight, but the opposition that they have created will live for a long time. The unity of that opposition will live for even longer. It will destroy him, his Government and this kind of attack on democracy, and it will lead to the election of a Labour Government committed to the restoration of genuine local democracy that has been so shamelessly destroyed by the Government.

7.2 pm

Mr. Mark Wolfson (Sevenoaks): I shall endeavour to respond to your call for brevity, Mr. Speaker.

In following the hon. Member for Islington, North (Mr. Corbyn) — I am aware, having fought my first parliamentary election in that constituency, that Sevenoaks is an area with very different conditions from those of north Islington—I wish to bring to the attention of my right hon. Friend the Secretary of State the way in which the rate support grant settlement has affected the Sevenoaks district council.

The council has done all that the Government have asked of it. I believe that three examples will suffice to demonstrate this fact. First is the record on rates. Expenditure has increased by only 8 per cent. over the last five years against an inflation rate in that time of some 50 per cent. Rate increases in Sevenoaks have gone up by 4·6 per cent. in four years. As to staffing, in the council there

[Mr. Mark Wolfson]

were 779 full-time staff in April 1981 and by October 1984 the numbers were down to 559, a drop of 28 per cent. in three and a half years. This has required major reorganisation of management, of structure, of staffing and of working methods. Nevertheless, the council has continued throughout 1984 to plan further economies, further streamlining of services and further productivity increases. At least some of these schemes are unpopular with ratepayers and politically difficult, but in my view they have been right and proper decisions courageously taken by councillors who are determined to achieve value for money for their ratepayers. I will not labour the point, but by any standards this is a record to be proud of. I believe that my right hon. Friend would not disagree.

However, financial planning for 1985-86 is made nonsense by the announcement by the Secretary of State last December of the rate support grant as it affects Sevenoaks and other district councils. Without adequate warning, this year's grant to Sevenoaks has been reduced for 1985-86 by a staggering 18·5 per cent. Of this reduction, one third had been anticipated by the council and taken into account in its proper and prudent budgeting, but the other two thirds comes as a bolt from the blue, far too late for the council—if, indeed, it has any further scope to do so—to make additional cost reductions in time for next year. This means, therefore, as night follows day, a rate increase way above the Secretary of State's guidelines and what the district council wished or deserved to have to levy.

I want to make it clear that neither I nor the Conservative-controlled council is disputing the necessity for the Government to achieve a reduction in the overall level of Government support for local authorities on current spending. That policy has my approval and support. What I do complain about most forcefully is the way in which the rate support grant settlement has continued to penalise the prudent and in some cases to reward the profligate. My hon. Friend the Member for Uxbridge (Mr. Shersby) has given another example on a far larger scale, as has my hon. Friend the Member for Davyhulme (Mr. Churchill).

From my discussions with my hon. Friend the Member for Bristol, West (Mr. Waldegrave) and his advisers, it is clear that two factors in particular cause part of the problems for my district council. These are the change of criteria for assessing the recreational requirement of district councils and the fact that the spending of town and parish councils within the district is not subject to any overall control.

Parish precepts in recent years have increased by between 10 and 12 per cent. annually. In my view the grant-related expenditure factor for total parish precepts bears little resemblance to actual expenditure, despite the statement that GREs take special characteristics into account. I put it to my right hon. Friend that parish precepts should either come into both target and GREs on an actual basis or be excluded altogether. I ask for his assurance that this point will be considered further by his Department.

I return to the main complaint which I wish to put to my right hon. Friend in the strongest terms. Here is a council that has done all that the Government have asked of it. Prudent budgeting has been penalised and forward planning has been made impossible by an unexpected and heavy blow delivered at the eleventh hour. The rate support grant system is still a very blunt instrument. Further refining is essential and such refining must surely result in a very much greater reward for those councils that do what is asked of them. We were given assurances about that last year, but it still has not happened. This year's settlement, although necessary for the nation as a whole, is still far from satisfactory in its application to my own and other careful authorities.

7.9 pm

Mr. William O'Brien (Normanton): As I listened to the Secretary of State's presentation of the reasons why he believed that the House should accept the proposals, I thought on more than one occasion that it resembled something out of the well-known series, "Yes Minister".

The hon. Member for Sevenoaks (Mr. Wolfson) brought in a new dimension when he pointed out that parish precepts were not covered by the legislation. If he is suggesting that parish council rates should attract rate support grant—he will be aware that at present they do not—I am sure that he will have the support of many Opposition Members. I hope that he will press his right hon. Friend on that.

In addition to 1985-86, the year under discussion, the Secretary of State advised the House that he could not envisage any relaxation of control or rate-capping for the following year, 1986-87. There are already problems this year. The right hon. Gentleman said that, although last spring there were claims that the rate support grant then proposed would mean rate increases of 15 to 20 per cent., rates had in fact been kept down. He boasted that that proved the success of the Government's restrictions, but rates have risen by only 5 per cent. or so because local authorities have had to cut their services. If they had been allowed to maintain services at their previous level, rates would indeed have risen by 15 to 20 per cent., and to provide that same level of services in the future would mean that the 5·2 per cent. increase proposed by the Secretary of State would in fact amount to a reduction of 0·05 per cent. in the money allowed for the provision of local government services.

The Secretary of State said that high rates contributed to high manufacturing and industrial costs, leading to a loss of employment. He said that rate increases were being kept to a minimum to ensure that hardship would not be caused to industry and commerce. If he genuinely means that, why does he not apply the same philosophy to the regional water authorities, which also levy rates? The Yorkshire water authority has imposed increases of 19 or 20 per cent., but rate-capping does not apply to that precept. If the Secretary of State is sincere in the belief that he must control high-spending authorities, he should apply the same rules to regional water authorities, which are creating the same problems for ratepayers as he claims Labour-controlled local authorities are creating in their areas. Incidentally, the chairman of the Yorkshire water authority has laid the blame for those increases above the rate of inflation fairly and squarely at the door of the Secretary of State. I hope that we shall have an explanation from the Government on that, as it seems very strange that there should be two sets of rules in the same game.

Mr. Tony Banks: It would also be interesting to hear an explanation from the Secretary of State as to why rate-capping does not apply, for example, to the Metropolitan

police precept or to that levied by London Regional Transport since that area of authority was taken away from the GLC.

Mr. O'Brien: I am grateful to my hon. Friend for drawing attention to those other anomalies. It is clear that the Government wish to attack only Labour-controlled authorities providing the services required by the people in their areas. The cut in rate support grant has created further problems for local authorities seeking to provide the necessary services for the people whom they represent. Having served in local government for 30 years, and having witnessed the recent actions by the Government, I am glad that I am now out of that area so that I do not have to explain to people that education, recreation, planning and social services can no longer be provided adequately because of the cuts in rate support grant and the rate-capping measures introduced by the Secretary of State.

There are also problems in the joint financing system involving local authority social service departments and area health authorities. In Wakefield and Leeds — I represent people in both ctities—the joint financing so necessary to provide the services required by an aging population and to meet the needs of the mentally sick and the disabled have been seriously affected by the cuts and restrictions imposed by the Secretary of State, so that the people most in need are being denied those services as a result of Government action. I ask for some special consideration to be given to the jointly financed schemes.

Mr. Patrick Jenkin: In order to keep my speech short I did not talk about the disregards. However, I have made it clear that next year we will repeat the disregard for penalty for authorities' increased expenditure on schemes jointly financed with health authorities. The arrangements that apply this year will apply next year, too.

Mr. O'Brien: I am grateful for that intervention. A number of hon. Members are very concerned about jointly financed schemes. I hope that the problems facing social service departments which have jointly financed schemes will be given serious consideration—problems connected with the aging population and the care of the mentally sick and the mentally handicapped.

Other hon. Members have referred to the rating system, to the anomalies that exist in the system and to the problems inherent in it. I share the concern that has been expressed. The valuations are 12 years old. The Secretary of State has said that there is to be a review of the financing of local government. If rates are still to be levied on rateable values, I urge the right hon. Gentleman to consider updating the valuations on which rates are levied. The system is 10, 12 or 15 years out of date. When those whose rates have been assessed on those out-of-date levels appeal against assessment, they have to refer back to the value of the property 12 or 15 years ago. That is most confusing. I am sure that the Secretary of State could ease the problems by dealing with some of the anomalies in the system. I appeal to him carefully to consider doing so.

As there are anomalies, and as services are to be cut in many areas, and in my own area in particular, I ask the House not to accept the report. Some Conservative Members have, on behalf of their constituents and local authorities, described problems similar to those described by my hon. Friends. There is some unity about the problems facing local authorities. I hope that those hon. Gentlemen will join us in rejecting the report.

7.22 pm

Mr. Michael Lord (Suffolk, Central): I am grateful for the opportunity to say a few words about the rate support grant settlement in general and its effect on Suffolk.

If the House stands for anything, it stands for justice and fairness. I am not entirely convinced that, in this settlement, Suffolk is given a fair deal. I support fairness. That is why I support rate-capping and welcome unreservedly the Secretary of State's hope that he may be able to abandon targets next year.

I understand only too well the almost impossible dilemma in which my right hon. Friend finds himself in bringing back under control the runaway expenditure of local authorities in toto. He has the difficult responsibility of controlling local authority expenditure as a whole while, if we are not careful, some hon. Members are tempted to concern themselves solely with their own local problems. I also understand how difficult it is to cut back the wildest spending authorities as quickly and harshly as would be appropriate without causing a degree of hardship and perhaps unrest that would be too high a price to pay.

My right hon. Friend makes no secret of the fact that this is a national problem. It is a problem that we all share. Indeed, some sensible local authorities may have to suffer to some extent as the highest spenders are brought under control. However, that is seen by many people — certainly in Suffolk—as rough justice. In their view, the Government are robbing Peter to pay Paul; and in the past, that has sometimes led the Government to reward profligacy and penalise prudence.

Suffolk county council has a history of managing its affairs carefully and sensibly, yet it now finds itself in a difficult position. In the current year the difference between its GREA and its target is £5·6 million. Next year — 1985-86 — the gap will widen to £12·4 million. In 1985-86 the council will try to use reserves to bridge the gap, but if the situation continues into 1986-87 that will be increasingly difficult to do. Burdens on services will increase and there will be excessive rate increases. For example, the growth in the number of old people in Suffolk far exceeds the national average, yet the number of residential places is below the national average, as is the number of home helps and the provision of meals on wheels, even though I am sure the social services departments are doing their best to manage their services with great care.

The Government may assess the financial needs of a local authority carefully and in detail, taking into consideration all the factors involved, in order to establish its GREA. They may then, by setting a target, deny it the necessary finance. They may do so not because of the behaviour of the authority concerned, but because of the behaviour of other authorities over which they have no control. That cannot be right. I was therefore delighted to hear of the Secretary of State's intention to end targets as soon as possible.

My right hon. Friend has my sympathy in dealing with an intractable problem. However, I return to the question of justice and fairness. The present system cannot be regarded as fair. If, when he replies to the debate, my hon. Friend the Under-Secretary of State is able to confirm my

[Mr. Michael Lord]

right hon. Friend's suggestion about abolishing targets next year, I am sure that the whole House will be delighted.

7.27 pm

Mr. Tony Banks (Newham, North-West): One day soon, I hope to find myself discussing in this House something other than local government business. Local government matters seem to be gradually taking over our entire proceedings. Indeed, the Government seem determined to turn this place into a mega town hall and all hon. Members into souped-up councillors—although the material on the Government Benches is not promising.

We discuss the rate support grant every year but, to an increasing extent, the Government are attempting to force the House into interfering with and attempting to control the day-to-day affairs of local government. Hon. Members on both sides have pointed out how arcane the system of local government finance has become. Few hon. Members fully understand it. It is clear that the Secretary of State is not among them. The Prime Minister does not understand it either. A few weeks ago, attempting to answer a question during Prime Minister's Question Time, the right hon. Lady became completely confused between GREAs and targets. I do not blame her for that, but I see her as the spectre behind her Ministers, pushing them into doing things about which they are unhappy. If Ministers are unhappy about what they are doing, they know what —in all honour and integrity—they should do about it. However, I doubt whether we shall see much of those qualities.

The subject has become confused and difficult to understand. That might explain why so few right hon. and hon. Members on either side are present. That has been true for all this important debate. Hon. Members are getting fed up to the teeth with being required to discuss and make decisions on matters that should be left to locally elected councillors. That is why hon. Members decide to take their pleasures elsewhere. We elect councillors to deal with these issues. Why do the Government want to interfere in the day-to-day running of town halls and county halls.

We have heard that the level of rate support grant for next year is to be nearly £12 billion. That sounds a lot of money, but the percentage of Government funding of local authority expenditure has decreased from 60 per cent. in 1978-79 to the 48·7 per cent. of next year. That represents a massive switch of tax burdens from the Government to local government. It is no great surprise that local authorities — Conservative and Labour-controlled — are beginning to rebel.

The grant-related expenditure that the rate support grant proposes for the Greater London council shows a need to spend GREA of £549 million — an increase of £32 million on the settlement for 1984-85. However, if we allow for London Regional Transport and the transport supplementary grant, it represents an increase of about 18 per cent. That leaves a substantial gap between the council's basic budget of £853 million and the £549 million "need to spend" assessment. We can therefore see the great problems that the GLC will face.

The Secretary of State has told us that GREAs have been altered. The GLC was surprised and pleased to learn that there was an increase of £27 million in its GREA for the housing revenue account. We need to know whether the GREA figure for the housing revenue account for last year contained the large error that we understand it to have contained. We have to explain the great differences in the figures. It does not surprise me that miscalculations are now rife in Marsham street, as civil servants struggle to understand the system — just like Members of Parliament.

I asked the Secretary of State why the GLC's target had increased so remarkably. Far be it from me to complain about that, but I need to know the Secretary of State's reasons. Last year, the GLC was accused of being one of the so-called overspenders but, even after allowing for the removal of London Transport, the increase in the GLC's target for next year is a 63 per cent. hike on last year's settlement. The GLC would like to know why there has been such an increase. I should have thought that many of the right hon. and hon. Members who should be sitting behind the Minister would be interested to know why there has been a 63 per cent. increase for what the Government say is one of the highest spending authorities in the country.

I believe that the increase merely shows that the figures are infinitely manipulable and that the Government can change them at whim. That merely makes the system even more uncertain. Moreover, the GLC's targets for last year were the very targets that were used to criticise that council's expenditure levels. Indeed, they were given, in part, as a reason for its abolition. The Government owe the House an explanation for these dramatic changes.

London's total rate support grant has been eroded steadily in real terms since 1979-80. Had the total been maintained at that level, London would have received about £3·3 billion more grant from 1981 to 1985-86. That estimated loss is based on the assumption that London local authorities will spend in line with their targets in 1985-86. If those targets are exceeded, the loss will be greater. When the Government start talking about the level of rate increases in London, they should remember that, since 1979-80, they have filched £3·3 billion from London ratepayers. That is yet another example of the massive switch of tax burdens from central to local government.

The Secretary of State said today that if all local authorities had shown equal responsibility in spending, there would be no need for these levels of targets. In his defence, I should add that he said that rate support grant had steadily decreased since 1979-80 and that the average level of rate increase has also decreased. However, he said that those are only averages. They cover up all of the big differences between local authorities in different parts of the country. The figures do not tell us about the level and quality of services that are now provided in different local authority areas.

It is easy and cheap for the Secretary of State to talk about over-spending local authorities. It becomes a matter of how the Government manipulate the figures, as I said in regard to the 63 per cent. increase in the GLC's target.

Overspend or underspend is what the Secretary of State decides it will be. They depend on the figures that he manipulates in Marsham street. It must occur to the Secretary of State in his more reflective moments that overspending also comes with local authorities concentrated in urban areas, where the problems are greatest —as we heard in yesterday's debate on infrastructure, investment and unemployment. The greatest concentration of problems is found in our great urban areas. It is no

wonder that socially responsible Labour-controlled local authorities are attempting to protect their ratepayers from the impact of the Government's economic and social policies. The Government's manipulating the figures pushes them into so-called overspending, whereupon the Government systematically attack them, in alliance with their poodle press in Fleet street.

The Secretary of State said that local authorities can now plan their budgets for 1985-86. That is a joke. How can the GLC or any other responsible local authority plan its budget now for 1985-86? The first reason why local authorities cannot budget is rate-capping. We shall have a long and, I suspect, acrimonious debate on rate-capping in a few weeks time. When considering the timetable that the Secretary of State has set, the GLC consulted counsel. Mr. Roger Henderson, QC, advised the GLC that the Secretary of State's rate-capping timetable can be challenged on the grounds of irrationality and procedural impropriety. Mr. Henderson also said that the Secretary of State is acting with unreasonable haste to implement rate limits which are based on faulty arithmetic.

We know how faulty the arithmetic is. The Secretary of State has estimated that the GLC has about £71 million in reserves. According to the GLC's official estimates, given by professional officers to elected members, the GLC's reserves stand in the range of £2 million to £12 million, depending on the outcome of litigation. As we all know, the GLC is perforce in and out of the courts these days to try to defend itself against the attacks of central Government. No information is given by the Secretary of State about how he arrived at the calculation of the GLC reserve of £71 million. How can a responsible local authority plan its budget when it is clear that it is operating on completely different figures from those that the Secretary of State makes up as he goes along? Therefore, the GLC must use the courts to proceed against the Government on rate-capping.

Rate-capping, and the influence it has on trying to make a budget in line with the gratuitous advice of the Secretary of State, is compounded by what Mr. Justice MacNeill said in a judgment in the High Court on 11 January on the demand of the Secretary of State for Transport for at least £50 million more from the GLC than he was entitled to ask in support of London Regional Transport. Mr. Justice MacNeill said that the Secretary of State for Transport had acted

"unlawfully, irrationally and procedurally improperly".

In that case, costs were awarded against the Secretary of State for Transport. As my hon. Friend the Member for Copeland (Dr. Cunningham) said, despite the fact that the Secretary of State for Transport acted illegally, he will not be surcharged for what he did, because surcharging does not exist for incompetent central Government Ministers. It exists only to penalise democratically elected local authority members who try to defend their services. The difference in approach and in scale of values as between local government and central Government is deplorable.

Mr. Straw: Is my hon. Friend aware that the Public Accounts Committee of the House roundly condemned the present Minister with responsibility for consumer affairs, then a junior Minister in the Scottish Office, for selling off Hamilton college of education at a loss to the taxpayers of £5 million? If he had been a councillor, he would have been surcharged and discharged from office. Because he was a Minister, all that happened was that he was promoted.

Mr. Banks: It would appear that Government Ministers can act with total disregard of the laws that they or previous Parliaments have made. That is grossly unfair. Surely all hon. Members on both sides of the House must accept that standards are different for the conduct of central Government Ministers and of locally elected councillors. The dice is loaded heavily in favour of central Government. The Government come along like a bunch of bully boys and stamp all over town halls and county halls; they declare that their mandate is so much greater than that of democratic local councils that they can do what they want. I believe that hon. Members on the Government Benches are beginning to realise how unfair it is.

When the Secretary of State for Transport demanded that extra £50 million from the GLC, I do not believe that he was acting out of sheer incompetence. We know that he is more than capable of that, but in this case I think he was doing it deliberately to make it difficult for the GLC to keep to its budget. Of course, he has been found out and he will have to get his fingers out of the till.

All this makes it much more difficult for a responsible council like the GLC to proceed with its budget making for 1985-86. How can my council make a budget when there is so much uncertainty and so many legally dubious decisions by incompetent and vindictive Ministers? Labour-controlled local authorities and councils are discussing extensively what they can do. Law-breaking comes into it. The Secretary of State for the Environment, in regard to the Greater London development plan and the Secretary of State for Transport, in regard to the excessive demand from GLC for London Regional Transport, are not setting a good example for law-abiding councils because they have both been prepared to break the law.

The Government are gradually forcing local authorities into a position where they must choose between bad and vindictive laws or the services that they were elected to preserve. The Secretary of State for the Environment is criminalising democratically elected and responsible councillors. Sooner or later, someone will have to give ground. I am convinced that it will not be the majority of Labour-controlled local authorities. I am reminded of the words of George Lansbury in 1921. He was not a head banger. He would not be described as an ultra-Left member of today's Labour party or, indeed, of the Labour party of the 1920s. He held firm Christian beliefs. He said that wicked laws ought to be broken. When Poplar council was resisting unjust laws he also wrote:

"The question is not whether what we are doing is legal or illegal but whether it is right or wrong."

That question is as relevant in 1985 as it was in 1921.

Labour councils would be well advised to decide whether they should set rates at all. As an option, they should now think about refusing to pay debt charges of any sort. When Third world countries got themselves into financial problems over debts owed to the industrialised world they decided that they would not pay and, of course, rescue operations were mounted. Some Labour local authorities might decide to emulate that example during 1985-86. Local authorities might also decide to defy the Secretary of State and set illegal budgets.

These are real options. I would support and advocate a combination of such measures. I believe, like George

[Mr. Banks]

Lansbury, that wicked laws ought to be broken. If laws are to be party political and if this place is to be used to force through bad administrative law which is clearly based on party political spite, it will become a duty rather than a crime for democratically elected Labour local authorities to defy the Government. From that defiance, we will be able to mobilise the sort of support that is needed to throw the Government out of office.

7.47 pm

Dr. Michael Clark (Rochford): I might talk about Essex county council or Rochford district council, because both have suffered as a result of the rate support grant. There are 15 other Members of Parliament who could speak for Essex county council so I shall confine my remarks to Rochford district council.

Rochford is a well-run council which has never before taken issue with the Department of the Environment on rate support grant calculations, even though those calculations leave a lot to be desired. Rochford has supported the Government in all their objectives to reduce public expenditure. It was the first council to consider privatising refuse collection. Although in the end it did not go ahead with it, its refuse collection costs compare favourably with neighbouring Southend, which has privatised its refuse collection service. In recent years Rochford has cut its staff by 15 per cent., even though it was tight on staff compared with other councils of a similar size. It sold off surplus buildings and centralised offices. In its policy on council house sales it was well in advance of Government legislation.

As a result of these prudent policies Rochford has, over the last nine years, kept its rate increase every year to single figures. Generally, rate increases have been about 6 or 7 per cent., but in 1979, the year in which the Government were returned to office and inflation was 28 per cent., Rochford district council reduced its rate by 7 per cent.

During the past nine years, Rochford's rates have risen by 52 per cent. while the retail price index has risen by 170 per cent. That has been achieved by effective use of balances and capital receipts and by identifying long-term savings well in advance so that they could be realised and taken into account. Auditors' reports on Rochford show that, in almost every area, its spending is lower than the spending of other councils in the same family of district councils.

At a council meeting before Christmas and before the RSG settlements were known, the council proposed to increase its rates, for two reasons. First, it proposed to increase them by 5 per cent. to allow for inflation and, secondly, by 7 per cent. to allow for the expected reduction in RSG. That 7 per cent. was to take into account a transfer from central taxation to local taxation which would have to be borne by the people of Rochford. The plan to increase rates by a total of 12 per cent. would have meant that it would be the first time in the history of Rochford district council that rates had been increased in double figures.

When the RSG settlement was known, the grant was cut by 19 per cent. more than the council officers and councillors had expected. There had been a major cut of £263,000. That might not appear to be a great deal of money compared with the money referred to by the hon. Member for Newham, North-West (Mr. Banks), but it is a great deal of money for a small council like Rochford. The cut meant that the rate had to be increased by 24 per cent., and we must bear in mind that the highest previous increase during the past nine years had been 9 per cent.

If we look back, the block grant from central Government to Rochford district council in the four years to 1984 actually paid for 44 per cent. of the council's revenue expenditure; last year, it paid for 36 per cent., and this year it will pay for 26 per cent. There has been a major cut in the financing for Rochford from central Government.

The 24 per cent. rate increase that is now a possibility in Rochford—although we hope that it can somehow be avoided—will come about despite Rochford spending in line with Government targets and no grant penalty being incurred. Rochford will have to increase its rates because it has followed and adhered to all the guidelines set by the Government.

One has to ask what the reasons are for that. We are told that one reason is that the method of grant distribution has been amended and that Rochford's GREA has been reduced by 3 per cent. in 1985-86 even though nationally GREA has been increased by 6 per cent. We all know that GREA is calculated on a variety of factors—the number of people in an area, the physical features, the cost of providing services, social and environmental problems and recreational requirements. Of those factors, the number of people in Rochford has decreased, the physical features have not changed, the cost of providing services has risen in line with the rate of inflation, the social and environmental problems have got no less, and recreational requirements are ever increasing as people expect more to fill their leisure time.

Why is Rochford facing such a cut? I do not understand it, Rochford district council and its officers do not understand it, and I have no doubt that the people of Rochford do not understand it.

The second reason we are given for the cut is that there is a change in the calculation. I must tell my right hon. Friend that there is no change in the income of the Rochford ratepayers, nor in the services that they expect. I want to draw his attention to the shire areas, counties and districts that will receive a lower share of the grant. That appears to be inconsistent with my right hon. Friend's claim that the shire areas will be treated better.

When we asked the Department of the Environment to give reasons for the cut in Rochford's allocation, it said:

"The main reason for the loss of GRE for recreation is a major change in the methodology"—

a lovely word—

"designed to take account of the differential use of recreational facilities by different groups in the population, the demands placed on city centres and resorts by commuters and visitors."

Rochford prides itself on its recreational facilities, and it has a right to the same recreational facilities as any other district council.

I wonder whether the Department has looked at its map and realised that Rochford is adjacent to Southend—only half a dozen miles away. Many of the summer visitors to Southend use Rochford's recreational facilities, as do Southend's residents.

I want to ask my right hon. Friend a few questions. Is he aware that the Association of District Councils estimates that, as a result of the RSG calculation, 231

district councils will have to increase their rates by more than 10 per cent., 67 by more than 20 per cent.—that includes Rochford—and 18 by more than 30 per cent.

Does my right hon. Friend accept that a 24 per cent. increase in the district rate is acceptable and that an authority making such an increase is not necessarily being irresponsible? What advice does he give to a local authority that has met every one of the Government's requirements, yet finds itself in the same position as those councils that have ignored them? I echo the comments of my hon. Friends the Members for Davyhulme (Mr. Churchill) and for Sevenoaks (Mr. Wolfson) on that point.

My hon. Friend the Member for Devizes (Mr. Morrison) asked what guarantees there were for 1986-87. If Rochford exhausts its balances or reduces its services, what assurances are there that next year a further adjustment in the methodology will not occur that will once again disadvantage Rochford? I hope that my right hon. Friend will accept that the rate support grant calculations are so complex that few people understand them. We had budgets that were replaced with GRE, we have GRE that is qualified by targets, and the Government choose the figure, the title, the word or the set of circumstances that best suit their purpose.

District councils do not know where they are. They cannot plan for the future. They are in the frustrated state of not knowing how to establish or to begin a three-year, let alone a five-year, plan. I believe that as a result of these complications, people will begin to reject local democracy because they reject that which they they cannot understand. Local democracy is now in the first stage of being rejected. To a large extent, it is being ignored, as the hon. Member for Newham, North-West pointed out. That is shown by the low turnout at local elections.

I fear that it will not be long before local democracy moves from being ignored to being rejected, and that would be a dangerous precedent for democracy both for the country and for this place. I ask my right hon. Friend to attempt to simplify the whole of the structure that finances local government.

I regret that it is unlikely that I shall be supporting the Government tonight. If the Minister's reply persuades me, I shall be happy to support them, but, as things stand, it is unlikely that I shall support the Government.

I ask the Secretary of State, in the short term, to review the system and its injustices, and in particular to review Rochford's case. In the medium term, will he abolish the current incomprehensible rate support grant calculations and replace them with a simpler system that facilitates long-term planning, demonstrates fairness and, above all, encourages understanding of and support for local democracy?

8 pm

Mr. Simon Hughes (Southwark and Bermondsey): It is notable that, one after another, year in and year out, Government Back Benchers, make the same claims and ask their Government to try to do something about local government finance and to deliver that which clearly has not been delivered in the past.

My hon. Friend the Member for Isle of Wight (Mr. Ross) took his place in the Chamber a few minutes ago. He has been a Member for 11 years and within seconds of arriving in the Chamber tonight he said, "We hear the same speeches every year." That is evidence that it is about time that the Government did something. Promises, words and hopes for the future are not enough.

Exactly 51 weeks ago today the House was asked to consider the Government's proposals for the current financial year's rate support grant settlement. The Government were under enormous pressure, particularly from their own Back Benchers. They were under even more pressure than they are today.

The Government were repeatedly told that low-spending authorities were not able to spend what they needed to spend without penalties because their targets were below the Government's declared expenditure. On that occasion, the Secretary of State laid great store by two matters. The first was the efficiency and accountability of local government. I have no doubt that the phrase "the magic of the market place" was in his mind, although not uttered. In that context he praised the Audit Commission's work.

The second was the effect of the Rates Act, implemented late last year. The Secretary of State did not concede that the system was ramshackle and needed to be replaced. He simply said that he would try to reward the low spenders.

Those of us who live in high-spending authority areas —because they have high need levels—thought that it was a simple, political buying-off operation. We thought that we were witnessing a crude political device to buy support in the Lobby. The Secretary of State succeeded to some extent by persuading some of his colleagues not to vote against him, but to abstain, so he reduced the number who voted against the order.

Unfortunately, logic and the Chancellor of the Exchequer have made it impossible for the Secretary of State to fulfil his promise. Public expenditure levels have been set and the Chancellor has said that in real terms this year local government expenditure will be cut by 3 per cent. We protest about that.

If the Secretary of State was to do what he promised and give low spenders the benefit of low spending for this year, he had to fiddle with the arbitrary targets and arbitrary penalties for the high-spending authorities with the biggest needs. Unfortunately, he failed on both counts. He is still being criticised by his back benchers who say that the system is still inadequate and has not met their needs. Essex is a good example of a Tory-controlled shire county. The urban areas are equally unhappy, not least because they have been rate-capped.

The hon. Member for Davyhulme (Mr. Churchill), who represents the area covered by the Tory-controlled Trafford authority in Greater Manchester, makes it clear that the system has not worked. That is because in theory the system is fundamentally flawed and in practice hopeless—and it is becoming worse.

Since last January, 51 weeks ago, there has been a 3 per cent. cut in central Government's contribution to local government expenditure. The much-lauded Audit Commission produced a stinging report in August which said that the system was responsible for adding £1,200 million to the rates bill. The Government were so sure of their ground that the Secretary of State's response was that the Government would not examine the report in detail. The Secretary of State praised the Commission last January and now hides from its conclusions.

Under the Rates Act, for the 18 rate-capped authorities —16 Labour-controlled, one hung and one, Portsmouth,

[Mr. Simon Hughes]

Conservative-controlled—the squeeze comes from both ends. The Government's contribution to them is being reduced but they are told that they cannot raise the money by putting up rates because that is illegal and such rates would be invalid. They cannot meet their expenditure requirements.

Many obligations imposed upon such authorities are statutory. The Government do not now even believe in accountability. In the context of education, they say that people should be allowed to vote with their feet and take their children out of school A into school B. They say that that is the principle of the market economy. The Government do not apply that principle to local government. They do not say that the results of local elections should be determinative. They do not think that locally elected councillors, many of whom are members of the Conservative party, should be able to make ultimate decisions.

The only ray of light is that at the Tory party conference last year we were assured again — 10 years on — that there would be consultation about reform of local government finance. We welcome that, provided it produces results.

Consultations were referred to by the Minister for Local Government in Committee recently. I hope that the consultations that he offered the hon. Member for Copeland (Dr. Cunningham) and the Labour party will be offered to all other party spokesmen in the House.

Our view does not parallel that of the Labour party. We do not believe that the problems of local government will be solved by increasingly funding local government from central Government through block grants. We believe that local government should be made more accountable. That means reducing the money that comes from central Government and raising more money locally. As my hon. Friend the Member for Woolwich (Mr. Cartwright) said, that means local income tax in addition to rates.

We have to have reform to make local government more accountable. I hope that real progress will be made before next year and that we shall not have to listen to ever more plaintive cries from more and more hon. Members.

The only way open to people outside the House who want to protest is to vote against the Government at every opportunity. They will have that opportunity this May in the shire county elections and next May in the London borough elections. I hope that in their thousands they will vote against this ridiculous imposition of central Government policy on their local councils by their Conservative Government and reject them and all their works.

The Guardian yesterday made it clear that the local authority settlement that we are being asked to approve tonight threatens to cause big rate increases in most of the Tory counties only a month before they go to the polls in the four-yearly county elections. It says that, unless the councils are able to raise their balances, they will be forced to raise rates significantly higher than inflation, even if they keep fairly constant in real terms.

The effect will be even more severe in the districts, as the hon. Member for Rochford (Dr. Clark) said. A whole list of counties will be affected — Berkshire, East Sussex, Essex, Gloucestershire, Hampshire, Hertfordshire, Surrey, Warwickshire, West Sussex and Wiltshire. I quoted the example of Warwickshire last year when it said that it had done everything possible but still could not meet the targets. That is still its position. It also applies to other Labour, Tory and Liberal-controlled county councils.

We have heard that, except for Bedfordshire, all the shire counties have targets below GREA. Avon, a Labour-controlled council, has reached the stage at which, because its GREA is £6 million higher than its target, it would incur a penalty of £18 million if it spent up to its GREA. I was told that the people of that area are saying that they must empty the cocoa tins and use all possible reserves to avoid cutting services. Allowing even for that, because of Government policy, next year it will need a 19p rate increase if the system is not altered.

My hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) has received a letter from the chief executive of Northumberland county council, sent with the approval of the political leaders of that area. In that Labour-controlled council—just: it has a majority of one—the settlement continues to be poor; it follows a series of poor settlements for that area. The letter to my hon. Friend points out that the Government make insufficient allowance for inflation, continue their policy of transferring the burden from the taxpayer to the ratepayer and impose policies the implications of which are that if the council was able to contain its spending to last year's level, allowing for the Government's assessment of inflation, the authority would receive £5 million less in grant in the coming year than it received last year, which would represent a 10 per cent. reduction. In fact, it would be much worse because of pay settlements, which would mean the authority losing £7·5 million more.

There is insufficient assessment of the needs of such counties, which have huge rural areas. In Northumberland's case, it has been greatly depopulated, particularly for educational assessment purposes. It is clear that the Government's calculations do not work. Northumberland has had to reduce highways manual staff from 580 10 years ago to 307 and has had to reduce the number of teachers from more than 3,000 to 2,500. It cannot do more.

Northumberland, looking at the whole situation from a different perspective from, say, the Isle of Wight, says that, while it might do well out of a particular alteration —in Northumberland's case, the changes in rules about transport grant benefit the authority, whereas the Isle of Wight does badly out of that alteration—nobody wants a system under which proper assessments cannot be made because one decision goes in their favour and the next goes against them. They do not know where they are.

Northumberland serves also to illustrate an important constitutional point. It says that the effect of Government policies is driving out the people who were in control of the area — the same applies in other areas — the moderates in the Labour party, to be replaced by extremists. In other words, the Government are forcing people to take extreme positions by making extreme proposals, and that cannot be good for the future of local government.

The Isle of Wight, on all definitions, has been a low-spending authority. It has been Liberal-controlled for a long time and, I hope, will remain so for even longer. It cannot begin to do what the Government expect of it. The Isle of Wight has probably the highest percentage of population over pensionable age, plus 17 per cent. unemployment. It is told, nevertheless, that it cannot even

have the money that is needed to carry out a fundamental service such as providing facilities for the disposal of waste. All the holes in the Isle of Wight where waste could be deposited have been filled, and the authority is not being given the money to put the waste elsewhere. What is it supposed to do, remembering that the disposal of waste is a statutory duty?

Further, the Isle of Wight wants to deal with its unemployment problem, but instead of being allowed the money to buy land to develop for industrial purposes, it is not even given central Government assistance by way of area status. The Isle of Wight is in a hopeless position, all because of the Government's policies. There should be no friends of the Government in that island.

I could go on giving examples. Consider Bedfordshire, which is having to reduce the number of old people's homes and even police overtime; this Government of law and order are forcing their colleagues in Bedfordshire to cut the services of law and order.

In Cheshire, a hung council, for the first time in 93 years the Tories cannot produce a budget. They say that they could make savings of £12 million to meet the Government's requirements, yet they are not producing a budget. Thus, not just Labour and Liberal authorities, but the Government's supporters too, are in difficulties. In other words, Cheshire's example shows that local Tories cannot cope and take the strain.

Cambridgeshire is likely to incur a penalty of £19 million. Things got so bad in Somerset that the Tory education sub-committee proposed making a charge on youngsters for the water they consumed while eating packed lunches. The full committee rejected that idea, but the council did decide that the local authority could not afford to buy any fiction for local libraries. Perhaps one can say that the facts are so appalling that to add fiction would be a distraction.

The shire counties are in a desperate position, but the urban areas are in an even worse state. I made the point earlier that the distribution of block grant means that London has had a reduction of 1 per cent., even though GREAs have been increased, that many London authorities will not be able to meet their targets and that the penalties for overspending are being increased enormously.

In Southwark, the method of calculating GREA for the social services is inadequate. It does not reflect changes in the needs of the population. We have one of the highest calls for social services in the country and, of the 12 inner London boroughs, we are first in the list with the largest number of blind, deaf, and handicapped people; we are fourth highest in the number of social workers; we are top of the league in the number of elderly; third in the number of young people who are handicapped and in care; fourth in the number of mentally handicapped; and second in the number of children boarded out in care.

Only about two thirds of those factors are recognised by the Government. The GREA data for social services are out of date, too few factors are taken into account and simple population figures dominate the assessment of social service needs, leaving out the social isolation of people — for example, the elderly are not taken into account — with the population at risk not being sufficiently considered. I understand that next year the Government are to set up a working group of officers of local authorities and the Department of the Environment. I hope that something will be done to meet the needs of the social services.

The Government promised to do something last year and they have failed to deliver. They have not rewarded prudence—Conservative Members are telling them that — and they have not made an objectively accurate assessment of profligacy. They have misjudged. Some councils, however hard they try, will not be able to preserve essential services within the financial constraints, the straitjacket, that the Government are imposing on them. The Government will have to concede that people may be forced into breaking the law. Unless there is a realistic concession that adapts policies to people's needs —not formulae from Marsham street—the Government will be running themselves and local government into disrepute.

Mr. Stephen Ross (Isle of Wight): Is my hon. Friend aware of another problem that is looming up fast? I refer to the White Paper on buses, remembering that we have been promised a Bill a fortnight from now. Evidence from Kent county council is being taken tonight by the Select Committee on Transport. It is reckoned that what is proposed in that Bill will cost that authority an additional £2·5 million, which will immediately put it into penalty, in that it will not be able to meet that expenditure without going into penalty.

Mr. Hughes: My hon. Friend reiterates the point that we are making constantly. It is that the Government must say, "Enough of the old system." If we in this House insist on imposing duties on local government—for example, relating to buses — we must at least compensate local government. Authorities cannot be expected to provide local services without the necessary resources. Central Government hold the purse strings. If local authorities are not permitted to raise money elsewhere, they cannot be expected to find the cash out of the air. Conservative Members are fond of telling people that money does not grow on trees.

I urge the Government to think again. I warn them that, if they do not, the electors will go on voting even more consistently against them at local elections and will increasingly withhold their support, even in the traditionally Tory shire counties, which are becoming less and less traditionally Tory. Until the Government return to what we were led to believe were traditional Conservative views, and lay off local government—returning accountability to local government—they will find resistance in Parliament to this and all similar measures.

8.20 pm

Mr. Richard Holt (Langbaurgh): I tried to make an intervention this afternoon during the speech of my right hon. Friend the Secretary of State for the Environment. My right hon. Friend did not allow me to intervene, so I shall make a speech instead.

Many of us have been concerned recently about surrogate motherhood. The issue has not crept up suddenly on the House, but it is with us. The Government have formulated no policies or plans to deal with it. The same can be said of local government. Local government issues are creeping up on central Government and they are not making proper plans to ensure that the type of scaremongering that is indulged in by the hon. Member for

[Mr. Richard Holt]

Newham, North-West (Mr. Banks) is treated in the way that it deserves. I notice that the hon. Gentleman has had the good grace to make his speech and leave the Chamber. He seems always to fail to listen to those who speak after him. I always thought that it was a tradition of the House to remain in one's place to listen to succeeding speeches. Of course, the hon. Gentleman is not a traditionalist. Indeed, he seeks to abolish this establishment altogether —*[Interruption.]* If any Opposition Member wants to intervene, I shall be glad to let him do so.

I was first elected to local government 22 years ago, and much of what I have listened to so far has caused me a sense of déjà vu. However, I must compliment my right hon. Friend the Member for Guildford (Mr. Howell), who made an excellent contribution, as did several of my hon. Friends subsequently. I have been disappointed by the contributions of Opposition Members, especially by that of the hon. Member for Southwark and Bermondsey (Mr. Hughes), who spoke on behalf of the Liberal party. The hon. Gentleman talked about local income tax as though it were a wonderful panacea and a workable solution. That must be a broad-brush strategy, and I invite the Liberal party to address itself to the attendant detail.

The Conservative party has been giving local income tax considerable thought for a long time and it is clear that there are many questions to be asked. For example, who will pay the local tax? Will it be paid by the unemployed man or old lady? Will it be received by a head office or at the place where we happen to live or in which we work? Where will a travelling seaman pay his local income tax? If local income tax is the best policy that the Liberal party has to offer for reforming our rates—it is the only one that it has produced this evening—it is clear that it has nothing to offer that will be meaningful in future.

Mr. Simon Hughes: The hon. Gentleman may not know that for many years the Liberal party has been putting forward detailed proposals for local income tax. I assure him that we are ensuring that our proposals are brought up to date and made even better in time for the next general election. The hon. Gentleman will be able to pass judgment upon them when they are placed before the electorate.

Mr. Holt: I am grateful to the hon. Gentleman, but I have not been much encouraged by his intervention. It was a bit of flannel to cover up the fact that the Liberal party has been rumbled.

I think that most hon. Members will agree that GRE is a lottery. Several of my colleagues have already drawn attention to the way in which it is formulated. I doubt whether many members of the general public have delved into the White Paper for the purpose of bringing out some of the statistics with which local government is expected to grapple and to understand. I was a councillor for 22 years, and I never understood exactly how local government was financed.

Mr. George Park (Coventry, North-East): Huh!

Mr. Holt: I doubt whether many Members of this place including the hon. Member for Coventry, North-East (Mr. Park), ever understood how it was done.

Mr. Park: Perhaps the hon. Gentleman does not know that I was the chairman of a local government finance committee for many years. I thought that I understood how local government was financed. That is why I said, "Huh!"

Mr. Holt: The hon. Gentleman may think that he understood it. As he was a Labour chairman of a finance committee, that suggests to me that he did not. No Labour chairman understands financing fully.

I shall refer to the details under which we are supposed to work. This is what prompted me to try to intervene during the speech of my right hon. Friend the Secretary of State. As I have said, he refused to allow me to do so. I think that many members of the general public would be thrown into a sense of wonderment if they knew the details with which councillors and hon. Members have to grapple when dealing with GRE.

I do not know—I am willing to allow my right hon. Friend the Minister to intervene to explain this to me—whether the Treasury sets a global figure for all time and whether everyone within the Department of the Environment has to work within that constraining figure. Alternatively, is someone confronted with all the statistics and indices which are contained in the White Paper and required to work with them carefully and diligently in coming to a conclusion? There is every chance that the person who does that will find that he has overshot the Treasury target by several thousand millions of pounds.

The hon. Member for Southwark and Bermondsey referred to the figures in the White Paper and said that there were too few of a fine-tuning nature. An example of detail is to be found on page 66 where, under the heading,

"Children aged 5-17—factor for residential care",

we are told that

"(X6) is calculated as the number of children aged 5-17 in the area of the authority, multiplied by the sum of the factors below:

(i) a constant of −0·0033014;

(ii) Indicator X4 as defined above, multiplied by 0·000028512;

(iii) Indicator X5 as defined above, multiplied by −0·000016818 ;

(iv) the proportion of children aged 5-17 in households that contain a lone-parent family as estimated by the Secretary of State on the basis of the 1981 Census, multiplied by 0·04786."

Mr. John Wilkinson (Ruislip-Northwood): Is that why my local ratepayers are facing a rate increase of up to 42 per cent. this year?

Mr. Holt: I am not qualified to answer my hon. Friend's question. However, if those who are setting the rate within my hon. Friend's constituency even understand the formulae, they are doing extremely well. That is only one of the marvellous elements which, when combined, produce GRE at the end of the day.

We are told at the beginning of annex K that GREs have been calculated by means of

"a formula which is a development of that used for"

previous years. However, the marginal indicators are minus 0·000 something. What happens if the sum total overshoots or undershoots the Treasury target? Does someone have to revise the noughts, the pluses, the minuses and the indices so that local government can understand exactly what is happening? It would not be too bad if these nonsensical figures were themselves understood to be of relevance in assessing rates in a local area. They do not take sufficient notice of whether an area is in the north or the south.

Another interesting section is to be found on page 55. B12 is followed by the heading

"Weather adjustment factor for road maintenance".

The first subsection states:

"the annual average number of days of snow-lying during 1979/80 to 1981/82 as estimated by the Secretary of State for Transport, multiplied by 7·10522."

That is followed by

"the annual average number of days of frost during 1979-80 to 1981-82 as estimated by the Secretary of State for Transport, multiplied by 0·77115."

That is the road/weather adjustment factor for maintenance purposes that is supplied by the GRE assessors for local government departments.

Mr. Terry Dicks (Hayes and Harlington): Does my hon. Friend agree that the scheme or system was invented by idiots and applied by fools for the benefit of no one in particular?

Mr. Holt: I suggest that I am not qualified to answer my hon. Friend's question. That is an issue on which everyone should make up his own mind. A factor in which we are all interested is unemployment. C9, which is headed "Total unemployment", states:

"The number of persons who were in receipt of unemployment benefit at May 1984 as estimated by the Secretary of State on the basis of information supplied to him by the Secretary of State for Employment."

There is no factorising there. No account is taken of whether unemployment is long-term, short-term, medium-term or permanent. That is one more example of the calculative methods by which GRE is put together.

I do not feel sorry for my colleagues on the Government Front Bench, for they are big enough to look after themselves. I am not sorry for Opposition Members, because I do not have much time for the majority of them in any event. I feel sorry for the civil servants. They must work with and understand these methods. I do not know how they cope with the mass of figures which no one else understands.

Mr. Simon Hughes: Does the hon. Gentleman accept that if this system has become the law of the land, one should not have any sympathy with the civil servants? They obviously are the power in the land, because they have in their captivity all those who do not understand the system. They will not let those people be free, so they must struggle out. The sympathy of the good Conservative Members behind the hon. Gentleman for the people who may well be the GRE assessors is probably a little out of place. We should have more sympathy for the rest of the people, who are their prisoners for a long time.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I remind the House that Mr. Speaker appealed for brevity. Interventions make speeches even longer. A number of hon. Members are still waiting to catch my eye.

Mr. Holt: I accept your stricture, Mr. Deputy Speaker.

I come to the real reason why I wished to intervene in this debate. We have had all the fine tuning and figures. This morning I recevied a missive from Cleveland county council. There are six Members of Parliament from Cleveland, five of them Socialists. Not one of the five Socialists has been in the Chamber at any time during the debate. Perhaps that reflects the fact that the Tory party is to take over in Cleveland shortly and the Labour party has already washed its hands of it.

That is possibly why I received that missive, which asked me whether I would draw to the attention of the Secretary of State the fact that Cleveland was upset, not by the GREA machinations, but by the fact that between last year and this year, according to the civil servants who do not make the mistakes to which the hon. Member for Southwark and Bermondsey referred, the county of Cleveland has shrunk. It may well be that the population has moved, but it takes some believing to accept that a geographical land mass change is sufficient reason to justify an alteration in GREA.

The letter from the chief executive of Cleveland county council stated:

"The error has been pointed out to the Department of the Environment. The Department accept that the area used is wrong".

Mr. Wilkinson: Coastal erosion.

Mr. Holt: There is a little, but not that much. The Department is using a different ordnance survey from the one used last year. The result is that £221,000 has been wiped off from Cleveland's GREA. The Cleveland council is a profligate Labour-controlled authority, and I have little brief for that body in that respect. The council is, however, entitled at least to the honest effects of the rules as long as those rules exist.

My right hon. Friend the Secretary of State is to move the GREA and the grants, but he is moving the goal posts by changing the land mass area of Cleveland during the 12 months. Worse still, having admitted the error, the Department is not prepared to correct it until some time in the future. Because of a simple error by the Department of the Environment, every ratepayer in Cleveland will have to pay extra next year. I hope that, if nothing else comes from the debate today, my right hon. Friend will take on board the need for something which is so complex and misunderstood as the current system to be urgently reviewed. I shall vote with the Government, but I shall do so out of loyalty and not conviction. Next time, I might change my mind.

8.33 pm

Mr. Stan Thorne (Preston): A number of hon. Members have said that they served their apprenticeship in local government, and I am no exception. During the 1960s and early 1970s, there was some concern about the services that local authorities were providing. Looking at the services provided by local authorities attempting to meet social needs—whether in social services, housing or education—one must feel that councillors taking on the responsibility of local government do so with a definite commitment. As the hon. Member for Langbaurgh (Mr. Holt) attempted to suggest, councillors may have had an education that is not adequate to equip them to deal with the responsibility of local government in terms of finance and so on, and that is understandable. The Labour and Conservative parties have failed to give the type of training and skills to our local councillors that should have been provided. Generally, councillors attempt to meet their responsibilities and commitments. They do so not lightly, but in their determination to oppose cuts in services that are not in accordance with their views on what local authorities should be providing.

The Government are changing the word "needs" to "targets". Those targets are to be determined by central Government, thereby reducing local authorities to mere instruments of Government policy. It is no wonder that the Government see elections in Greater London as

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superfluous. Local government is a major aspect of our form of democracy. I use the word "democracy" with some trepidation, because it is almost non-existent in Britain today.

The rate support grant measures, far from protecting ratepayers, will mean cuts in jobs and services. Certain jargon appears to be relevant these days when debating expenditure by local government. Reference is made to low and high-spending authorities. It is fairly clear, especially when listening to Conservative Members, that low-spending authorities are apparently responsible bodies according to the Government's Victorian values. The Secretary of State or other Ministers have given no specific examples of what irresponsible spending is. Is it irresponsible to provide bus passes for the elderly, old people's homes, sheltered accommodation, community centres for young people, meals on wheels, and nursery facilities and to adapt property for disabled people in need? We in Lancashire seek to meet those needs as far as we are able, given the resources available to us.

The rate support grant in Lancashire will be £24 million less than if the current year's percentage had been maintained. That is equivalent to a precept of 17p in the pound. Grant penalties could ensue to the county council if it spends up to the Government's GRE formula, as my hon. Friend the Member for Burnley (Mr. Pike) said. The penalties would have to be met from the rates. Some local authorities may find it acceptable to reduce services and to create further unemployment, but they have a responsibility to defend the interests of their local residents. The statutory political and moral obligations of local authorities are held by many local Labour councillors as serious responsibilities to uphold, and rightly so. To protect the elderly, the sick, the young and the disabled is the responsibility of local authorities. Many of them will not accept the Government's clear dictates directed towards ignoring those responsibilities. In essence, local authorities are asked to collect more in rates and to provide fewer services.

Yesterday we debated unemployment. Today we do not hear from the Government how they intend to reduce unemployment; we hear the direct opposite. An increase in unemployment of between 70,000 and 80,000 will be the product of the Government's rate support grant proposals. The Government have been trying to get across the idea that they care about unemployment, but this measure proves beyond doubt that unemployment is an instrument of economic control for the Government to which they are fully committed. The people of Britain may appear to be slow to grasp that fundamental point, but I am convinced that unemployment will yet be the basis of the Government's ultimate downfall.

8.40 pm

Mr. Warren Hawksley (The Wrekin): I do not wish to follow the line of the hon. Member for Preston (Mr. Thorne); I wish to be unashamedly parochial. Most speakers have been parochial today and that is right on an occasion such as this. I also hope to be brief, but as I served on a county council for 12 years, I think that I can offer some explanation of why Shropshire county council feels bitter about the way that it has been treated under the orders that we are discussing.

I served for four years as chairman of Shropshire county council's general purposes sub-committee. During that period it was a responsible authority. During the period of the previous Labour Government when the IMF had to come in and bail them out and we saw even greater public expenditure cuts than we are seeing today, Shropshire county council, then a Conservative-controlled authority, responded to the Government's demands and cut its expenditure in line with Government requests. Ever since, Shropshire county council has responded to the needs and requests of Government, yet today it finds itself with problems. It is unfortunate that by these orders we should again appear to be hurting those authorities which have shown prudence in recent years. It is paying a heavy price for the responsibility that it has shown.

Irresponsible authorities which have occasionally spent money as if it were going out of fashion even today can possibly find room for further cuts, but responsible authorities do not have that option. By using the year that the Government use as the base for their calculations, they are creating problems for those authorities which were responsible when it was not fashionable to be so. The Government should not penalise the authorities which were good boys in those days.

The Government are right to tackle overall local government expenditure. They should not increase the total amount of local government expenditure; they should consider carefully the way in which they allocate the money that they have available.

My arguments on the rate support grant order will not be about the total amount of money available, as Members on both sides have argued. My arguments will not lead me to vote against the Government or abstain, like some of my hon. Friends. That is not because I think of the orders as great support for local government but because the Department of the Environment and the Government generally have supported Shropshire and Telford in other ways. They have supported the new town of Telford, given us a new motorway, a new hospital, regional aid and an enterprise zone, but with a 22 per cent. unemployment rate, the rate support grant should also be used to help councils in the area. It is not enough to suggest that all the other aid can, by itself, respond to our needs.

Shropshire is the fourth hardest hit of the shire counties. Its social services are running at 75 per cent. of the national norm. That has been the case for some years. We do not complain about that; we are happy to run them more cheaply than some other areas. It shows that we have tried to run local government as cheaply as we can.

Last year, as has been mentioned, we were given a pledge by the Secretary of State in the RSG debate. It is right that the House should hear the wording in which it was given. He said:

> "I would expect in 1985-86 and thereafter to be able to set targets which take greater account of GREs and thus recognise the efforts which low-spending authorities have made." — [*Official Report*, 23 January 1984; Vol. 52, c. 642.]

What has happened in Shropshire? Last year, the gap between GREA and target was 5·4 per cent. This year it is 8·9 per cent. The move has been in the wrong direction. Despite the 4·5 per cent. spoken of by the Secretary of State when he started the debate, the anomalies of the responsible low-spending authorities have not been tackled this year. I hope that when my right hon. Friend replies he will tackle the problems that will arise. Although I shall support the Government tonight, the

problems will be even greater next year if we do not have a stronger and clearer commitment than the one we had last year, so that there can be no getting out of what last year we thought was a commitment. Shropshire based its budgeting on the assumption that there would be action.

Mr. Barry Porter (Wirral, South): I hope that my hon. Friend realises that his speech is one that I should have made if I were going to be called. If for Shropshire one reads Wirral district council, I should have made exactly the same speech. Does he accept that the only way that we will solve this ridiculous problem, whether it be in Shropshire, Cleveland or Wirral, is by a fundamental review of local government finance? If we have to go through this procedure time and time again, the Government will have to accept that those of us who are loyal to their macro-economic policy will lose patience.

Mr. Hawksley: I agree with my hon. Friend's comments, but I do not think that that is relevant to the debate today. As the Inland Revenue computer centre is in my constituency, I should encourage the idea of moving to local income tax to replace the rates. That has been advocated by other hon. Members.

About nine months ago, Shropshire county council expressed anxiety at the lack of capital for educational work. I took a delegation to my right hon. Friend the Secretary of State for Education and Science. As a result, he sent one of his officials to Shropshire to see what the position was. He reported to my right hon. Friend and as a result the capital allocation for education in Shropshire was increased from £2·1 million to £3·9 million but—this is the important point — no allowance has been made in the rate support grant for the extra revenue which is necessary to go with that capital. One Secretary of State accepts the need, so I hope that my right hon. Friend the Secretary of State for the Environment can work in tandem to provide the necessary resources. The cost to the revenue is about £250,000, which is a large sum to a small rural county. I ask the Secretary of State to repeat with greater strength the commitment that he made last year.

Problems also arise at district council level. Wrekin district council is Labour-controlled. The county council has no overall political control. The Labour authority shouts along political lines even before it is affected, made dire forecasts of its rate increase. Its target is way below its GREA, which I gather is common for district councils in areas which have new towns. I wonder whether the needs of the new town possibly throw out the GREA calculation in some way. There would seem to be the possibility of some problems in that respect. Perhaps in reply the Minister will say whether the GREA for new towns in district council areas is accurate.

Wrekin district council has suffered through the reduction in the block grant this year, but before I support its protestations I suggest that, as a fairly high spending Labour council, it should put its own house in order. I will give some examples of its expenditure. The council has a lottery in the neighbourhood which is supposed to help with, for example, appeals and social services. This year resources have been allocated from that lottery to the striking miners—of whom, I am glad to say, there are very few in Shropshire. Resources have also been allocated to the local Anti-Apartheid organisation, which does not have much relevance to the electors of the Wrekin area.

The council has a public relations department which employs three officers full time, as far as I can see, on Labour party political propaganda. Our county council, which has a budget of about £150 million, recently discussed whether it needed a public relations officer. It decided that it did not. Some of the Socialists on the county council led the attack against the proposal. The district council's budget is about one twentieth of that of the county council, yet the district council is employing three such officers. The county council reckons that the cost of a public relations officer would have been about £30,000. The district council must therefore be spending about £100,000 on political propaganda.

The district council prints a broadsheet, the "Wrekin Report", which could be produced, I should have thought, by Transport house. It has nothing to do with providing information to the electorate; it is purely and simply a political document. Until such time as the district council is prepared to cut out those frivolous expenses, my support —however hard the council has been treated under the block grant—will not go to it.

I finish where I started, by appealing to the Secretary of State to think again and to make sure that the shire counties have a better settlement, and the GREA is used as a basis for targets. The problems that the treasurer, the members of the Shropshire county council and I foresee as being even worse next year should not be allowed to develop. It is important to be fair to those authorities which have been so good over the years.

8.52 pm

Mr. Bill Michie (Sheffield, Heeley): I do not suppose that anything that has been said during the debate will make much difference to the outcome. However, I am amazed that from all parts of the House — from the Conservative, the Labour and the Liberal parties—there has been a very good coverage of the criticisms of GREA and the way that the rates are assessed by each county borough or county council. Although, as I have said, it will not make much difference to the outcome, surely the Minister in his reply, and in the coming months, must look seriously at the anomalies, discrepancies and injustices created by GREA throughout the country.

We all compare our own areas with similar areas. Many anomalies have appeared within the area that I represent, and they have still to be dealt with by the Government. The Minister and the Government have been asked why they have produced a rate settlement such as the one before us.

The 1985-86 GREA for Sheffield has been assessed at £187·1 million—an increase of 3·5 per cent. on 1984-85 —yet the national average is 6·7 per cent. Perhaps it is thought that Sheffield does not have problems connected with unemployment, the environment or the elderly, but that is not so. Although we are to some extent getting used to the difficulties which arise from the reduction of grant from central Government, the situation is getting out of hand. The city council has been accustomed to adverse RSG settlements. It has been calculated that the combination of all overall grant reductions, cash limiting and distributional charges caused by GREA, as well as tapering and penalties, has cost the city £151 million since 1980-81 — in other words, that money has been taken from the Sheffield ratepayers.

I cannot understand why Conservative Members are always criticising the high spenders when areas such as Sheffield could, if it had not been for so many penalties

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and cuts, have provided the same services last year without any increase in rates. I do not think it is fair for the Minister to say that the Government are looking after the ratepayers' interests when the Government have made the position worse than it need be. Indeed, in some cases the situation would not have been at all bad. The problem seems to be related to the complications of GREA itself, as many hon. Members have said.

The Minister should endeavour to convince the House that the system is fair. In the Sheffield area, in regard to museums and arts, the GREA element is calculated according to shopping and floor space. Obviously, there is no direct relationship between the authority's function in providing museums and arts and the area of shopping floor space. Over 50 per cent. of the Sheffield GREA is calculated by reference to school pupil numbers. The calculation assumes that expenditure changes result from changes in pupil numbers occurring within 18 months. The Department of Education and Science knows and recognises that such is not the case; thus, the calculation is wrong. The cost is 10 per cent. of the education budget in Sheffield, and there is a reduction of £5·5 million in 1985-86.

With regard to education for people over 16 — a statutory obligation—the GREA assessment is made by reference to the number of pupils in education at the time in question. But that is only half the calculation, because the demand for that sort of education is much higher. It is estimated that another 600 full-time places could be filled if the city council could provide the facilities. Obviously, with the present restrictions, it cannot do so. Ironically, because the places cannot be created to meet the demand, the city is penalised even further in GREA, to the tune of £1·2 million.

I should like to refer to the Library service. Everyone has libraries, but in the calculation no consideration is given to the fact that we are a major polytechnic and university city. Thousands of students who use the facilities are not brought into the calculation. I refer also to environmental health. No calculation is made of the special circumstances of industrial decline over the past 10 years. We also have problems of air, water and land pollution that are not given fair consideration when GREA is calculated. Finally, I refer to the elderly. Sheffield has one of the highest numbers of elderly of the major cities, yet that is not properly calculated for in the GREA.

Whether hon. Members vote for or against the report, the Minister must justify carrying on without taking into consideration all the points that have been made. It is hardly fair on authorities, whether they are considered good or bad, to have to struggle on year after year with this crazy system of GREA.

9 pm

Mr. Jack Straw (Blackburn): I thought for a moment that the hon. Member for The Wrekin (Mr. Hawksley) was going to be unique in the debate and complete a whole speech from the Conservative Benches without uttering a single word of criticism of the Government. However, he did not break ranks, as I originally thought he would. With his contribution, speeches from Conservative Back Benchers were completed with not a single Member speaking in full support of the Government. Not one Opposition Member spoke in support of the Government either. Conservative Members will make up their minds whether to drag their feet or sit on their hands in the Chamber when we vote, but there is virtually no support on either side of the House for the settlement.

We have had some excellent speeches from the Opposition. I show no favouritism when I commend in particular my hon. Friends the Members for Burnley (Mr. Pike) and for Preston (Mr. Thorne). I note the fact that all three Labour Members representing Lancashire have spoken—or are speaking—in the debate and that not a single Conservative Member from Lancashire has even deigned to be present during a debate of critical importance for our county.

I welcome the Minister of State to what I think will be his maiden speech on the rate support grant. Perhaps this is yet another occasion on which he wishes that he was back in the calm waters of the Department of Trade and Industry or anywhere but enveloped by GREA — an animal to be found only in the zoo.

Over the past five years we have witnessed the application of an ever-tightening vice over local authorities by the Treasury and the Department of the Environment. Long-standing conventions—which were respected by both sides — governing the relationship between the Government and local authorities and operated by both parties over many decades, have been unilaterally jettisoned. The Conservative party, once the champion of local democracy and choice, has become its destroyer. Sir Winston Churchill's famous injunction to "set the people free" has been turned upon its head to "set the people free to do as this Administration tells them." Even the much more recent pledge, under which all members of the Conservative party were enjoined to roll back the frontiers of the state, has been torn up. Instead, an ever larger and more monstrous leviathan has been unleashed, in the form of the Secretary of State, the Chancellor of the Exchequer and the Prime Minister, to devour local freedoms and arrogantly and autocratically to replace the decisions of 24,000 councillors and 500 separate communities by central diktat. The haunting spectre, the nightmare raised by the present Lord Chancellor that a Government with a large majority could become an elective dictatorship has, in large part, turned into reality.

In terms of their principles and claim to be the party of freedom, the Government have extracted a heavy price from their supporters in the country for their policies towards local government. The question that many wiser counsels on the Government Benches may ask—and, I suspect, even the Secretary of State in one of his rare moments of peace—is whether all this has been worth it. What exactly has been achieved in return for the destruction of the hallowed principles, the conventions governing the relationship between the Government and local authorities, and the destruction of some ministerial reputations besides?

If there has been a major shift in power between town hall and Whitehall over the past five years, there has also been a major shift in Whitehall itself, from the headquarters of the Department of the Environment in Marsham street to the corridors of the Treasury in Great George street. Local government has been sacrificed and the Department of the Environment Ministers sometimes nearly crucified upon the alter of pseudo-monetarism. What that one true believer, the Chancellor, has asserted and will assert is that controlling the totality of local

authorities' current and capital expenditure is central and essential to the cause of the Government's economic policy.

What I have to say to the House—I address my remarks particularly to Conservative Members—is that, even within the criteria set by the Chancellor for the success of this policy, the case for controlling local authority expenditure in the present way is wholly unjustified. It is that case that I first wish to examine by reference to our own recent history and by reference to the current practice of other countries more successful than we are.

Local authorities, as the Secretary of State told the House earlier today, spend £24,000 billion each year. It is a large sum, of which just under half is met by central Government and the other half from local revenue—principally the rates, charges and rents. What local authorities spend in totality is classed as public expenditure. The Pavlovian response of the Chancellor, when challenged upon this, is to say that unless all public spending is strictly controlled, the whole of the Government's economic strategy will be knocked off course.

I am self-evidently not a monetarist economist—there are very few of these, and it is an ever-diminishing breed — but, even for those who are, control of public expenditure is not an end in itself but a means to the end of controlling the things about which monetarists worry — the money supply, the public sector borrowing requirement and, they say, through both of those, the rate of inflation.

The Government's fundamental error is to believe that what local authorities spend from their own local revenue can have any significant effect upon public borrowing or through that upon the money supply, interest rates and the rate of inflation. Local authorities are not allowed by law to borrow to finance their current spending. That means that except in the most marginal and indirect way what local authorities spend out of their own current resources cannot affect the monetary aggregates upon which the Government—not we—say that their policy should be judged.

In short, the Government have made a rod for their own back by seeking to control that which there is no need directly to control, even within the terms of their own policy.

Mr. Patrick Jenkin: Perhaps I may cast the hon. Gentleman's mind back to the passage from the memoirs of Lord Barnett in which he explained that the Labour Government took a totally different view and in fact insisted on regarding local authority current spending as part of total public spending.

In those circumstances, is the hon. Gentleman now saying that the Labour Government got it all wrong and that the Opposition are going to pursue an entirely different policy?

Mr. Straw: I am happy to reply to the point raised by the Secretary of State. Indeed, I anticipated it in my speech.

There is a fundamental distinction in terms of practice between this Government and the last Labour Government, and that concerns the control that the Government are exercising. This Government have viewed all items within the public expenditure survey operation as items which have to be directly the subject of control. I fully accept that in terms of public expenditure conventions the die was cast in 1962 when the Plowden committee recommended the present system of public expenditure survey committee. The fundamental difference is that, even though Plowden recommended, and Otto Clarke implemented, that all local authority public expenditure should be classed as public spending, initially that was only for the purposes of indicative planning by the Treasury to give it an idea of what was happening elsewhere in the economy, not for the purpose of control.

I accept that the last Labour Government introduced cash limits over their expenditure. I have no objection to that; nor do I have any objection to cash limits over rate support grant. It is the duty of any institution with responsibility for public money to ensure that it spends that money wisely and efficiently, and cash limits in my judgment are one way of ensuring this. We have never questioned—and neither did Mrs. Margaret Hodge, the leader of Islington council, who appeared recently on television, dispute—the right of central Government to close-end and cash limit what they gave to local authorities. We will argue about the amount as we are doing tonight, but none of us has said that central Government are not entitled to say, "That is the amount, and no more."

Mr. Patrick Jenkin: This is very important. The hon. Gentleman's argument simply will not wash. My quotation from Lord Barnett makes it abundantly clear that the Labour Government used the rate support grant not just to close-end the amount of Government grant to local authorities, but to reduce the percentage so as to reduce local authority current spending. I shall not read the quotation again. That is what Lord Barnett said and that is what the Labour Government were trying to do.

Mr. Straw: The Secretary of State ignores the fundamental difference in the relationship between central and local government before 1979 and now. I anticipated all those questions. Of course central Government have sought in the past and will seek in the future to influence what local authorities do, just as local government seeks to influence what central Government do, but there is a fundamental difference in terms of the democratic balance of power between seeking to influence what an institution does and seeking directly to control it. Since 1979, the Secretary of State and his predecessors have sought to break the convention that Governments should control what they give to local authorities and to seek in various ways to influence what authorities do and to say that in future central Government should wholly control all local authority spending, leaving the authorities no discretion whatever. If the Secretary of State thinks that the present system is the same as that operated by the Labour Government, he should ask the local authorities themselves. Conservative and Labour-controlled authorities and the Association of County Councils will tell him that there has been a fundamental change and that they want the old system back.

Mr. Norman Atkinson: The Government, and especially the present Secretary of State, have said that they have no objection to local authorities selling off their assets to fund their services so long as they pay their penalty to the Government. The Government deserve even

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more condemnation if they are not just seeking to control local authority expenditure with certain qualifications but actually encouraging local authorities to do their own asset stripping to fund their services.

Mr. Patrick Jenkin: I did not say that.

Mr. Straw: My hon. Friend the Member for Tottenham (Mr. Atkinson) is quite right. There are all kinds of anomalies, even in the present public expenditure conventions.

We must deal with the fundamental argument here. I have taken part in more debates on this than I care to recall. The Secretary of State has constantly claimed that local government expenditure is part of public expenditure and must therefore be controlled in totality, but he has never answered our point, with which some Conservative Back Benchers agree, that what local authorities spend out of current resources does not and cannot affect the things that the Government regard as the test of their economic policy—the money supply, the public sector borrowing requirement and interest rates.

It is essential that the Government address themselves to that point. Let them consider the example of other countries. The United States and West Germany have both to some extent been following monetarist policies—certainly until 1982 in the United States, and until now in West Germany. Both those countries are more successful than ours, but neither seeks centrally to control local authority expenditure. The Secretary of State may argue that they are federal countries. Constitutionally that is so, but they are as unitary in economic terms as this country. If they do not find it necessary to control local authority expenditure but still have more successful economies than ours, why is such control so necessary here?

Ten years ago, the Prime Minister, when she was the Shadow Environment spokesman, promised to abolish domestic rates. That promise was repeated in the 1979 Conservative manifesto. Worn down by utter failure in that respect, the Prime Minister has sentenced the Minister for Local Government to the purgatory of seeking to redeem her pledges. If he succeeds, no doubt the right hon. Lady will claim the credit. If he fails, his efforts to reach the Cabinet Room will be thwarted—at least under the present Prime Minister.

After four major Acts, GREAs, targets, rate-capping and endless Green and White Papers, we are now to have a fundamental review of local government finances. We wish the Minister nothing but well, and look forward to the results. However, unless the review addresses the central economic question, it will not lead to the removal of the fetters on local democracy, which Conservative councillors seek as ardently as do the Opposition.

The Minister must not deceive himself into believing that there is a middle way. The hon. Member for The Wrekin and the Association of County Councils have suggested that the local authorities' tax base should be broadened to include a local income or sales tax and that the central Government grant should be correspondingly reduced from half—as it is today—to, say, a quarter. In fact, the broadening of the local government tax base would not make the slightest difference to the Treasury's present case for controlling every penny spent by local government. The Treasury and the Chancellor wrongly, but powerfully, believe that every pound of local government expenditure must be controlled by the state, whatever its source. The proof of that lies in the fact that, contrary to the conventional wisdom of Layfield and many others, control has increased as the contribution of central Government has decreased.

Central Government's control is greatest where its contribution is tiniest. Central Government now seeks control of the total expenditure of Islington, Camden, the GLC and ILEA, while those authorities have received not a penny from central Government or from the Treasury.

If the Minister is to spring out of the trap in which he and the local authorities are currently imprisoned, he must first fundamentally challenge the accounting conventions which are the gaoler. It is often assumed that those conventions are God-given, permanent and value-free. They are not. They are man-made and politically weighted, and they can be changed.

The Secretary of State referred to the example of the Labour Government. In 1976, the present right hon. Member for Glasgow, Hillhead (Mr. Jenkins), a member of that Government, made a speech in Llangefni in which he said that with public expenditure crossing the boundary of 60 per cent. we were close to the frontiers of social democracy. Six months later the Treasury reworked the conventions, and it appeared that public spending was not 60 per cent. but 47 per cent.

Mr. David Howell: The hon. Gentleman says that the convention that all local authority spending should be controlled is man-made. Would he agree that the conventions were established by the Labour Government in 1976?

Mr. Straw: Perhaps the right hon. Gentleman was not present during my exchanges with the Secretary of State at the beginning of my speech. As I have said, there is a fundamental distinction between the practice of previous Governments of both major parties, who sought to influence the level of local government expenditure, and the practice of the present Government. If I seek to influence an institution, I respect its right to do something different if it disagrees with me. That principle is fundamental to the democratic balance. The present Government seek to control local authorities and, in doing so, to take away their democratic rights altogether.

In short, there is no economic justification for this monstrous system of controls. However, the system is doubly damned because it has not even worked out as Ministers intended. Ministers have claimed to be anxious about rate increases, but their policies have led directly to rate rises which have been far faster than the general rate of inflation. No doubt the Minister for Local Government will rattle through a list of figures showing how, year by year, the rate of increase in rates has declined. He will not say, however, that, year by year, rate rises have been far higher than the rate of inflation. Since 1978-79, rates have increased by 141 per cent., whereas prices have risen by 50 per cent. The Tory-dominated Association of County Councils has said that the reason for the increase in rates above the rate of inflation is the direct responsibility of the Government in cutting grant.

We must also consider the fairness of the system. The ACC has damned the settlement, complaining that it is the most complex ever in a system that is renowned for its complexity. It has challenged the Under-Secretary of State for the Environment, who prayed the ACC in aid in favour

of reducing grant. The Government will seek any alibi. So incensed was Mr. John Lovill who, as far as I know, is not known to be a rabid Socialist, by what the Under-Secretary of State said, that the ACC wrote to him saying that it was quite untrue that it supported such a reduction in the level of rate support grant and that it was unacceptable when accompanied by constant accusations of local authority overspending and a refusal to allow the deficiency in income to be made good from other sources.

The inequity, unfairness and sheer insanity of the present system derives from the ever more frenetic efforts of Ministers to second and third-guess decisions which should sensibly be left with councillors. It also derives from their trying to substitute bizarre mathematical formulae for individual judgments, as the hon. Member for Langbaurgh (Mr. Holt) said. He should know because I understand that he used to be in the bookmaking industry, as it is delicately described, before coming to the House. It is ironic that the modern, extremist Conservative party has become the arch practitioner of rigid central planning and control. It is ironic that, while we are opening our ears to the need for greater decentralisation and more local sensitivity, the Conservative party is closing its ears. It is extraordinary that the Conservative party, above all, should have ignored the warnings of Karl Popper—that although it is possible to centralise power, it is not possible to centralise the knowledge needed to exercise that power widely. Popper, drawing on the Tories' favourite guru, Hayek, said of the central planner:

> "Unable to ascertain what is in the minds of so many individuals, he must try to simplify his problems by eliminating individual differences . . . But this attempt to exercise power over minds must destroy the last possibility of finding out what people really think . . . Ultimately, it must destroy knowledge; and the greater the gain in power, the greater will be the loss of knowledge."

As much of what is intellectually respectable among modern Right-wing Conservatism derives from Popper and Hayek, it is time that some Conservative Members took notice of their philosophies.

Virtually every social and economic need from the cradle to the grave is now measured by GREA, but so detached have Ministers become that even the apparently simple issue of the demand for cemeteries and crematoria has not been measured, until this year, by reference to the number of people who are expected to die but by the number of people who are expected to go on living. It took the local authority associations four years to persuade the Department of the Environment—the hon. Member for Langbaurgh will know that this is the E8 factor—that a better measure of the demand for cemeteries and crematoria, far from being the number of people who are likely to carry on living, is the number of people who are likely to die. It is no wonder that we are in a mess.

GREA is bad enough, but now, quite contrary to the undertakings that have been given, it is used not merely to allocate grant but as a means of control. In addition, we have target, which is based on separate yardsticks and is inconsistent and in conflict with GREAs. One measure tells authorities what they need to spend and the other tells them what they will be allowed to spend. Of the 39 shire counties, 38 find that their target is below their GREA and that they will therefore be penalised heavily by the Government if they do no more than spend the Government's own assessment of their needs. The Government have consistently sought to hit at Labour authorities working in areas of serious social and economic need. The settlement will do so again.

Some authorities have been rate-capped and their position is worse. All face cuts. Some, like Hackney and Haringey, face catastrophe. Some, like Leicester, have been told that they have got to cut their rate by 50 per cent. even though, if the assumptions were correct, that would lead to a doubling of their rate next year.

I have not been in the Chamber all day so I did not get this at first hand, but I understand that rate-capped and high penalty authorities have decided today to seek a collective meeting with the Secretary of State to put forward representations about the dire problems they face. The hon. Member for Devizes (Mr. Morrison) spoke of the impossible position of Conservative authorities. Labour authorities are in the same difficulty. It is the hope of all my hon. Friends that that meeting will be fruitful and that the Secretary of State will recognise that he is pushing authorities into a corner from which they may not reasonably be able to extract themselves.

In regard to the shire counties and Conservative authorities, last year Environment Ministers staved off a major Back Bench rebellion only by giving promises to the right hon. Member for Cambridgeshire, South-East (Mr. Pym) of better things to come. The hon. Member for Bristol, West (Mr. Waldegrave) gave a categorical "yes" when asked by his right hon. Friend:

> "from 1985-86 and thereafter, will the Minister be fairer to the low-spending authorities than his statement suggests?—[*Official Report*, 23 January 1984; Vol. 52, c. 737.]

I remind the Minister and Government Back Benchers that that promise has not been met.

Mr. Bowen Wells (Hertford and Stortford): Hear, hear.

Mr. Straw: That "Hear, hear" came from the hon. Member for Hertford and Stortford (Mr. Wells) on the Government's Back Benches.

Hon. Members need not take this from me. They should have listened to the comments of their hon. Friends and of the Association of County Councils. The hon. Member for Uxbridge (Mr. Shersby) described the settlement as manifestly unjust. The hon. Member for Davyhulme (Mr. Churchill) said that his authority had been kicked in the teeth. We have heard many similar epithets about the settlement.

The final absurdity about the system, if it can be adorned with that name, that the Government have created, is that the Government claim that they have had to hit Labour overspenders so as to help Conservative underspenders. Some hon. Members on the Government Benches understand this, but it is so bizarre that most people turn off when it is explained to them. So crazy is the system that Conservative underspenders have only escaped even more massive cuts in grants and increases in rates because of overspending by Labour authorities.

If the Government's policy for Labour authorities works, if those authorities sack staff by the thousand and make massive cuts to meet the Government's targets, who will benefit? Not the low-spending shire authorities—quite the reverse. As expenditure came down in the high-spending Labour authorities, they would earn more grant. As the Treasury will not give the Secretary of State more total grant, the additional grant for the Labour authorities

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would come from Conservative authorities. Hon. Members do not need to take it from me; it is in the *Official Report*.

When Government Back Benchers go through the Lobby tonight they should appreciate that they are voting for higher rates in their own areas. If Labour authorities meet the Government's targets, Berkshire will lose £35 million in grant and have a 20 per cent. increase in rates. The right hon. Member for Cambridgeshire, South-East is not here, but before he goes into the Lobby he should weigh with care the fact that Cambridgeshire would lose £26 million in grant and its rates would go up 21 per cent. Essex would lose £35 million in grant and its rates would go up by 25 per cent. Kent would lose £90 million in grant and its rates would go up by 35 per cent. Wiltshire would lose £80 million in grant and its rates would increase by 22 per cent. West Sussex would lose so much that its rate would go up by 44 per cent. and it would get no grant at all; it would be in the same position as the GLC.

It is said that those whom the gods wish to destroy, they first make mad. This is a mad, crazy system in which the Secretary of State has imprisoned himself and the other authorities. If he were kicking the guts out of Labour authorities, one would have thought that at the very least Conservative authorities would benefit, but not a bit of it. If that policy works, and Labour authorities sack thousands of people, the result will be cuts among Conservative authorities and massive rate rises. That is written in the Minister's own answers.

The Government's policy towards local government is bereft of compassion, comprehension and common sense. The system that they have created defies rational analysis or explanation. It savages authorities which spend too much and impoverishes those which spend too little. Above all, this system has already destroyed local choice and freedom in pursuit of an utterly bankrupt economic policy. If carried through, it will destroy thousands of jobs and undermine the quality of life for millions of our citizens. That will be the consequence if this report is approved. That is why the Labour Opposition condemn it utterly and will vote against it tonight.

9.31 pm

The Minister for Local Government (Mr. Kenneth Baker): As the hon. Member for Blackburn (Mr. Straw) said, this is my maiden speech in a rate support grant debate. In the years that I have been in the House, when I have looked in on such debates, I have soon found that on the whole hon. Members keep away from them unless they have been alerted to attend by their local authorities. Rates debates are occasions when the disgruntled speak to the disenchanted in front of the disbelieving. Every system of rate support, including the one which existed in the 1960s and 1970s, is well nigh incomprehensible and is understood only by the initiated. Thankfully, few hon. Members wish to be initiated.

I accept that the system is byzantine in its complexity and that it is probably fully comprehended only by those who have a taste for scholastic theology. I can only recall the remarks of Palmerston on the Schleswig-Holstein question last century, when he said that only three people understood it—himself, a Danish professor who was in an asylum and a third who had died.

I appreciate that it is exceptionally difficult to explain our system and that in double quick time, in attempting to discuss it, one sinks into a jargon which Mr. Edward Pearce of *The Daily Telegraph* referred to as "the verbal sludge of municipal speak". Therefore, I have every sympathy with those on both sides of the House who are impatient with this system and want to see one that is more easily understood and more predictable in its effect.

My right hon. Friend the Member for Guildford (Mr. Howell) made that point in his speech when he called for a more strategic, systematic and sustainable way of running our affairs. My right hon. Friend the Member for Chesham and Amersham (Sir I. Gilmour) also made that point, as did my hon. Friends the Members for Hornchurch (Mr. Squire) and for Langbaurgh (Mr. Holt). They welcomed the review that I am undertaking. So did the hon. Member for Blackburn, who, in an elegant and interesting speech—it was a pity that more of his hon. Friends were not present to hear it—addressed himself to some of the fundamental issues which I shall have to include in the review. In that review it will be possible to cover some of the points raised by my hon. Friend the Member for Davyhulme (Mr. Churchill), who referred to the extreme differences in rateable resources. Inevitably, such questions will have to be considered in the review.

I noted the points made by my hon. Friend the Member for Rochford (Dr. Clark) who pressed me to consider the fundamental changes that are needed.

Mr. Bowen Wells: Will my right hon. Friend give way?

Mr. Baker: I hope that my hon. Friend will allow me to press on for a moment, because I should like to answer the points that have been raised.

My hon. Friend the Member for Uxbridge (Mr. Shersby) spoke about Hillingdon. I very much appreciate the efforts made by Hillingdon council to reduce the high level of spending that it inherited. I regret that in a year when we have provided more favourable targets for most authorities, we have not been able to do as much as it would have liked.

Mr. Wilkinson: I appreciate, as always, my right hon. Friend's generous sentiments, but I must vote against the settlement. Last year my hon. Friend the Under-Secretary of State for the Environment made some reassuring remarks to my right hon. Friend the Member for Cambridgeshire, South-East (Mr. Pym). We were led to expect a better settlement than this, and for that very good reason I shall not be able to support the Government.

Mr. Baker: I understand. My hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) has made his position clear to me. Accompanied by his colleague the hon. Member for Hayes and Harlington (Mr. Dicks), he brought a delegation to see me. I shall deal shortly with the commitment on targets that was made in last year's debate. The target was directed towards low spenders.

I did not hear the speech by my hon. Friend the Member for Sevenoaks (Mr. Wolfson), but I have been told what he said. I was aware of his view because he, too, brought a delegation of councillors to see my hon. Friend the Under-Secretary. I shall certainly examine the important matter of the parish council precept for his area.

My hon. Friend the Member for Langbaurgh, apart from supporting the review, said that apparently some

acres of Cleveland county had been overlooked. If we have lost bits of Cleveland, I assure him that they will be discovered and the appropriate changes will be made.

Mr. Holt: When they have been discovered, will we receive the correct rate support grant, which we have so far been denied?

Mr. Baker: If the areas have been lost and they are discovered, justice will be done.

I enter a note of caution about the review. Any system which seeks to distribute £12 billion to over 400 local authorities by way of grant must be complex. The attempts to recognise the different resources and expenditure needs of different areas adds a great deal to the complexity. Attempts at trying to be fair in that distribution of central Government grant make the system complex.

The system which preceded that which now operates was equally complex and equally difficult to understand. It was based upon what mathematicians call regression analysis, which meant that the more one spent, the more grant one received. That gave a great boost to the continual high spenders.

One of the advantages of the present system is that it has broken the link, but it is complicated. The old system required 14 variable step-wise multi-variate regression analyses. In the late 1970s that could be done only on a computer in America. I say that because to find a system which is transparently simple and clear might be difficult. I have no shadow of doubt that I have to try to point the way towards a system which more people can understand and explain.

It is alleged that the complexity of the system increases the tension between central and local government. The real reason for so much tension about rate support is that since 1979 we have tried to restrain the total level of local authority spending. If one examines the pattern over the last 20 years, one sees that local authority spending in the 1960s and 1970s was rising by about 3·5 per cent. a year in real terms. Since we have been in office it has risen by about 1 per cent., or slightly less, in real terms per year.

The first Minister who tried to put the handbrake on local authority expenditure was Tony Crosland when, in 1976, he went to Manchester city hall and made a grave speech saying that the party was over. It was over for about a year, and then the high-spending pattern revived and we inherited a very high level and increasing rate of growth of local authority expenditure. Since 1979 we have been trying to reverse the trend, and we have had some success. However, I do not underestimate the difficulty that that imposes upon local authorities, whether Labour or Conservative.

The Government continue to keep a tight control on local authority expenditure. We have been able to set targets for 1985-86 which assist and reward the low-spending authorities. That fulfils the commitment given by my right hon. Friend and my hon. Friend the Under-Secretary during the debate a year ago.

Those authorities spending just below GREA have been allowed to increase their spending by 4·5 per cent. A few authorities—those spending not only below GREA but close to target—can increase their spending by 4·625 per cent. That is much better than has been possible for the past two years. For those authorities, there should be no real cuts. I am aware that many of those authorities still feel hard done by, and some believe that the targets set for next year are still too easy for the high spenders.

Mr. Churchill: It is not correct to say that all low spenders will receive the 4·625 per cent. increase. Some, such as Trafford, are having it clawed back under the negative marginal rate. It is clear that that is not a fulfilment of the pledge given last year, because Trafford is being given £200,000 but will have £2 million taken away. For that reason I—and I am not alone in this—will have no choice but to vote against the settlement.

Mr. Baker: I appreciate my hon. Friend's point, but it is on a different part of the system. I am talking about the targets set for expenditure. The 4·625 per cent. increase applies to Trafford next year. My hon. Friend is referring to grants.

I am aware that many of the low-spending authorities still feel that the high spenders are getting away with it. That has been expressed by the leaders of some of the shire authorities. I have told them that the high spenders are not getting away with it. Targets set for overspending authorities spending above GREA have been tough. As Opposition Members have said, that has involved real reductions in expenditure—in some cases as much as 6 per cent.

The targets that we have set do not favour the high spenders, and the controls on them are threefold. First, there are tougher targets for them. The hon. Members for Burnley (Mr. Pike) and for Sheffield, Heeley (Mr. Michie) made that point. Secondly, there are higher penalties in the amount of grant that is lost if the targets are exceeded. The level of penalty has been criticised, but those who overspend their target this year will suffer a very severe cut in grant. Thirdly, the 18 high spenders have been rate-capped.

I appreciate that the low spenders feel that their regard for Government policy during the past four years has been inadequately recognised. That has been the burden of many of the comments from hon. Members from both sides of the House. My hon. Friend the Member for The Wrekin (Mr. Hawksley) made the case for the county of Shropshire and my hon. Friend the Member for Suffolk, Central (Mr. Lord) made the case for Suffolk. I re-emphasise the point made by my right hon. Friend during his speech. I repeat again that we would like to abandon targets and holdback altogether, but that depends on the level of local authorities' budgets — how much they spend in the next year, 1985-86—and on the alternative pressures which can be brought to bear to achieve the delivery of the Government's public expenditure plans. We are considering various alternatives urgently to see whether they would be operable.

Mr. Charles Morrison: As my right hon. Friend began by speaking of targets with reference to tight controls and notes of caution, will he give a guarantee, looking further ahead—this is important in relation to an intervention of mine when the Secretary of State was speaking—that, whatever happens, the situation facing shire counties in 1986-87 will be better than it is now?

Mr. Baker: I remind the House that my right hon. Friend said earlier that the more favourable targets which we have been able to give low-spending authorities for 1985-86 have been possible only through the savings which have been achieved in public expenditure terms by rate capping the highest spenders. Rate capping will

[Mr. Baker]

continue to produce savings in 1986-87 as we continue to bring down the excessive spending levels of the high spenders.

Thus, low-spending authorities will benefit from rate capping. For authorities which budget in the coming year, 1985-86, to spend at or below both target and GREA, targets for the following year, 1986-87, will take account of those further savings to be achieved from rate capping the highest spenders. To answer my hon. Friend's intervention, these low spenders' targets in 1986-87 will therefore be both more favourable than they would have been but for rate capping, and more favourable than for authorities which budget this year to spend above either target or GREA.

Mr. Eldon Griffiths (Bury St. Edmunds): As one who will be supporting my right hon. Friend in the Lobby tonight, may I remind him that many of us will be doing so because of the prospect that has been held out of targets being got rid of altogether? That cannot come too soon. I appreciate the Government's difficulty in giving commitments against the changing background of public expenditure. Nevertheless, will my right hon. Friend give to shire counties, or at least to low-spending counties, some incentive which will enable them to assist the Government to get rid of targets that have been unjust?

Mr. Baker: I shall consider what my hon. Friend has said. The undertaking that we have given is to set targets which recognise low spending by the shire counties.

Dr. Cunningham: That question was asked in last year's debate, when many Conservative Members went into the Lobby in support of the Government on the basis of the assurances that they were then given. The outcome, according to the Association of County Councils, is that the average target increase for shire counties is 4·6 per cent., compared with the national average increase in target of 6·8 per cent. It remains the position, therefore, even under the present White Paper, that the lower-spending authorities receive lower average target increases. That is the reality of the situation, so what is the right hon. Gentleman's assurance worth?

Mr. Baker: I shall tell the hon. Gentleman what it is worth. I regret that we become involved at this stage in a great deal of what I described earlier as the verbal sludge of municipal speak. The hon. Gentleman is seeking to make target-to-target comparisons, but the real measure is the target-to-budget comparison. What was said a year ago about the low-spending authorities has been met. The low-spending authorities below GRE have had increases of 4·5 per cent. The increases for the very lowest spending authorities have been 4·625 per cent. The undertakings that my right hon. Friend the Secretary of State and I have given during the debate have been explicit. The leaders of the Tory shire counties have made it clear again and again that they expect recognition to continue of their efforts to keep spending low.

The hon. Member for Blackburn made an interesting and important comment. I was delighted to hear from him that the Labour rate capped authorities are now prepared to discuss the Rates Act 1984. My right hon. Friend said last week that if they wished to meet him collectively he would be happy to see them, and the Government stand by that. The earlier the meeting, the better. However, as the circumstances of authorities vary greatly, any decision to change the rates limit of a particular authority must take account of its circumstances. I hope that the authorities will come to the meeting ready, if they wish, to make clear their views on their proposed rate limits in their respective financial positions. My right hon. Friend will be able to consider any new information before reaching his final decision.

Rate capping has been mentioned on several occasions during the debate. I remind the House that there will be other opportunities to discuss the matter, as the orders applying to the precepting and rating authorities will have to be debated. The help that we have been able to provide for the low spending shire counties this year depends essentially upon our rate capping proposals.

The proportion of local expenditure which central Government have funded through grants will fall next year from 51·9 to 48·7 per cent. That was very much the main thrust of the speech of the hon. Member for Copeland (Dr. Cunningham). The RSG has dropped from 61 per cent. since the Conservative Government took office in 1979. We have taken this course to increase the accountability of local authorities. It is the main reason for the drop in grant to the shire counties and districts this year.

I am aware of the campaign that has been run by many of the high-spending Labour authorities against the Government's policy. They are demanding that they should be given back the grant which they would have had if the level of Government funding had remained at 61 per cent. The hon. Member for Copeland said, in effect, "When you came in, Government support was 61 per cent. It has been reduced progressively to 48·7 per cent." It is claimed by many, including many Labour Members, that the moneys which have been made available belong to the high-spending authorities. They advance the argument that the Government have stolen their grant. Some authorities seem to imagine that they have an inalienable entitlement to taxpayers' money. They imagine that they have the right to put their municipal fingers into taxpayers' pockets. It is fanciful to claim that the Government have stolen local authority grant. It is not their grant, and there is nothing special or sacred about 61 per cent.

The grant percentage is calculated each year and authorities have no right to expect their grant in any particular year to be based on what they received in any previous year. The Labour Government reduced the percentage from 66·6 per cent. in 1975-76 to 61 per cent. in 1977-78 and 1978-79. That cut, which was introduced by the then Chancellor of the Exchequer, was by far the largest ever made. If one counted up all that money, one would find that by the time the Labour party left office £1·4 billion had been forgone. I never heard arguments from any Labour Members that this money should be given back.

Mr. Straw: The right hon. Gentleman should not try to mislead the House about the record of the last Labour Government. When Labour came into government the rate of grant was set at 61 per cent., and it was 61 per cent. when Labour left office. The rate was increased to 66 per cent. to cover the exceptional increase in the cost of the Houghton recommendations in 1975. The last Labour Government's record was one of maintaining the grant at above 60 per cent., and this Government's record is of cutting the grant every year, year by year.

Mr. Baker: The hon. Gentleman's figures are correct. The rate started at 61 per cent., and went up to 66 per cent. The largest single cut of central Government support to local authorities was made by the Labour Government. We believe that we have been right since 1979 to continue to reduce that grant.

Mr. Simon Hughes: We certainly accept the proposition that local authorities have no inalienable right to taxpayers' money. In return, the right hon. Gentleman must accept the proposition that, when central Government impose duties on local authorities, and when services have to be provided, money must be found from somewhere. Establishing a system which does not allow that is not justifiable by anyone's reckoning.

Mr. Baker: The present system seeks to do that, and it does so. It seeks to measure the expenditure needs of different authorities. We have heard that many hon. Members are dissatisfied, and I accept their criticisms. The system is by no means perfect. We have been right in protecting the taxpayer by reducing the amount of central Government grant to local authorities. It is often said that the consequence is an increase in the level of rates. I remind the House that the average level of rate increase has fallen during the past four years, as the hon. Member for Blackburn reminded the House. In 1980-81 there was an average increase of 27 per cent. It fell to 23 per cent., to 16 per cent., and then to 13 per cent. In the last year the average increase in domestic rate has been 6·4 per cent.—the lowest for 10 years. I hope that my right hon. and hon. Friends will note that fact.

What policy on local government expenditure would the Opposition follow? Would they allow expenditure to go through the roof and force up rates? That idea was implicit in the speech of the hon. Member for Blackburn. Would the Opposition increase the central Exchequer grant to local authorities? That would be bound to increase taxes.

Local government expenditure can be financed from only two sources, because local authorities cannot borrow for their current spending. Local government expenditure can be financed from either rates or taxes. Several hon. Members have rightly said that it cannot be satisfactory to have rates as the single tax base because that places too great a burden on too few shoulders. Each year, a smaller number of householders pay rates. My hon. Friend the Member for Hornchurch made that point, and that is one matter that I shall have to study carefully in my review.

The ratepayers know only too well which party protects their interests. This Government's record should leave them in no doubt. We have reduced the seemingly inexorable growth in spending, without unacceptable reductions in services. We have abolished supplementary rates, which has prevented ratepayers from being caned twice in one year. We have obliged all authorities to consult properly and fully with their industrial and commercial ratepayers. We have set up the Audit Commission, with a new emphasis on value for money in the provision of services. We have introduced selective rate capping to protect the ratepayers of the highest spending authorities, including the GLC, from the extravagant waste of money by those authorities on political propaganda. As my hon. Friends know, £10 million was spent by the GLC on that propaganda. What would that money have bought in terms of meals on wheels or home helps?

That is the kind of unacceptable expenditure against which we are acting. It has nothing to do with services; it is purely political. If anyone seriously believes that ratepayers would have seen such achievements under a Labour Government, I suggest that he looks again at the history books. Average rate increases have fallen in each of the past five years. That is what ratepayers want, and that is what the Government have given them. It is what the 1985-86 settlement will achieve if local authorities behave responsibly. I commend these documents to the House.

Question put and agreed to.

Resolved,

That the Rate Support Grant Supplementary Report (England) (No. 2) 1984/85 (House of Commons Paper No. 81), which was laid before this House on 11th December, be approved.

Rate Support Grant (England) (No. 3) 1983/84

Resolved,

That the Rate Support Grant Supplementary Report (England) (No. 3) 1983/84 (House of Commons Paper No. 82), which was laid before this House on 11th December, be approved.—*[Mr. Patrick Jenkin.]*

Rate Support Grant Report (England) 1985/86

Question put,

That the Rate Support Grant Report (England) 1985/86 (House of Commons Paper No. 142), which was laid before this House on 20th December, be approved. — *[Mr. Patrick Jenkin.]*

The House divided: Ayes 343, Noes 211.

Division No. 67] **[10 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael

Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW Norfolk)*
Hawksley, Warren
Hayes, J
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Peter
Howard, Michael
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
Kilfedder, James A.
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Prior, Rt Hon James
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Ian Lang.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Churchill, W. S.
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry

Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dicks, Terry
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Montgomery, Sir Fergus
Morris, Rt Hon A. *(W'shawe)*
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shersby, Michael
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Wilkinson, John
Williams, Rt Hon A.
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Noes:
Mr. James Hamilton and
Mr. Sean Hughes.

Question accordingly agreed to.

Rate Support Grant (Wales)

10.16 pm

The Secretary of State for Wales (Mr. Nicholas Edwards): I beg to move,

That the Welsh Rate Support Grant Report 1985-86 (House of Commons Paper No. 100), which was laid before this House on 12th December, be approved.

I think that it would be for the convenience of the House to discuss also the second motion:

That the Welsh Rate Support Grant Report 1985-86 (Amendment) Report (House of Commons Paper No. 147), which was laid before this House on 10th January, be approved.

Mr. Speaker: If the House agrees, so be it.

Mr. Edwards: The amendment report corrects minor errors in some of the expenditure guidance and associated figures in the main report which arose from a programming error. I am sorry that these errors occurred, but the changes involved are very small. The largest decrease in an expenditure target is only £4,000 in a target of over £200 million. However, it is only proper that, having been identified, these errors should be corrected.

This is the fifth main Welsh rate support grant report that I have put to the House. I will first examine briefly how far the Government's objectives for local authority expenditure in Wales have been achieved and the prospects for local government expenditure in the future.

I have to make the point that, despite all the assertions to the contrary, local authority current expenditure in Wales has certainly not been slashed. On the contrary, it has grown faster than the increase in costs in the economy as a whole.

I do not under-estimate the problems that local authorities face in trying to meet the many demands made on them. They have difficult choices to make. I acknowledge as well that many authorities in Wales have made considerable efforts to contain their spending. Although some authorities are overspending against targets, the general picture taking all local authorities in Wales together is one of current expenditure now broadly under control. I hope that we can build on this and continue to release resources for capital expenditure because of the relatively good performance on current account. Clearly local authorities, if they are to achieve that objective, must continue a vigorous search for improvements in efficiency, effectiveness and economy.

In circumstances where additional resources are not available, authorities are under an obligation continually to examine in a critical and searching way the services they provide, and to check whether the pattern of services developed in the past continues to be appropriate to present and anticipated conditions. This must involve authorities in a willingness to consider alternative ways of providing services, not least through utilising the competitive power of private enterprise.

A few authorities have avoided taking the hard decisions that are necessary and have taken the easy way out, using special funds to offset against expenditure—a method sometimes known as the creative accounting route. Using special funds in this way, of course, reduces an authority's total expenditure which counts against its expenditure target, but it is only a cosmetic adjustment. The use of these special funds only puts off the day when difficult decisions about expenditure have to be taken.

Dyfed is an example of an authority now facing unnecessarily severe difficulties because it has followed such a course and deferred necessary changes over a number of years. Individual schools in Dyfed now face constraints in resources and in some cases inadequate capitation because, during the period in which school numbers were falling by 5,000, the necessary rationalisation of services was not tackled and teacher numbers were actually allowed to increase. Expenditure on education in current price terms has varied very little in the county over seven or eight years of falling school rolls and if individual schools now find themselves short of resources it can only be because Dyfed has been putting off the necessary changes that would make the most effective use of its resources.

Mr. Geraint Howells (Ceredigion and Pembroke, North): Is the Secretary of State saying that the education authority should have closed more small local schools than it has in the past four or five years?

Mr. Edwards: I am saying that, if there are 5,000 fewer pupils, about the same amount of money in real terms to spend and a capitation problem for individual schools, the authority should be making changes in the structure over a period of years to adjust to the new pattern. If it fails to do that, it will face quite unnecessary problems. Of course it will involve closing some very small village schools. In the part of Dyfed where I live, one school is down to 10 pupils. When pupil numbers decline very fast, there comes a moment when the education authority faces inevitable decisions about changing the pattern of education.

It cannot be argued that Dyfed has been particularly short of total resources. Its target per head is below that of super-sparse Powys, which has the same problem of village schools or the geographically difficult county of Gwynedd, which also has the problem of rural schools, but it is nearly 8 per cent. higher than that of Northumberland, 9 per cent. higher than that of Cumbria and 14 per cent. higher than the figures for north Yorkshire and Cornwall. Its target this year is 4·6 per cent. higher than its reported adjusted budget for 1984-85, so it cannot be said that Dyfed is a county starved of resources and the authority must take at least some share of responsibility for not having faced the necessary changes in the patterns of education.

Mr. Alex Carlile (Montgomery): As the Secretary of State has now admitted what we all knew already—that he is in favour of closing very small schools—will he tell us what he regards as a very small school and which schools we should expect to be closed? Will he also give a commitment that in future when small schools are closed he will ensure that money is made available to pay for transport to the alternative schools, as that is not the case at the moment?

Mr. Edwards: Clearly there comes a point at which local education authorities must balance the choices before them — maintaining very small schools, changing the pattern of education or having inadequate capitation in existing schools. The authority must make those choices in the light of the situation that it faces. It must decide whether it wishes to allocate the available resources to transport or to maintaining the existing school premises.

With the aim of helping authorities in their forward planning and to avoid this kind of situation repeating itself, I have issued indicative expenditure targets for authorities

for 1986-87 and 1987-88. These figures should provide helpful guidance at the individual authority level. In aggregate, they show that on average the cost reduction sought by 1987-88 is about 2 per cent. That would bring current expenditure back to the level reached in 1979-80. Authorities spending at or below target will have an easier task than others in securing these reductions.

If 1985-86 budgets show that authorities, both individually and collectively, are on course to spend in line with the Government's expenditure plans, I will be prepared to consider, with the local authority associations, whether an alternative means of containing expenditure and encouraging moderate rate increases is possible for future years, rather than continuing with the present regime of individual authority expenditure targets and grant holdback penalties.

I have made no secret of my hope that it will be possible to remove individual targets from the system. Notwithstanding that, no one should doubt my determination to retain guidance figures if it was likely that, if we abandoned them, expenditure would exceed our plans and one or two irresponsible authorities would be enabled to act in such a way that they unduly penalised others.

I turn now to the details of the 1985-86 settlement. Any unbiased observer would agree that the settlement is fair. Indeed, the Welsh office of the Association of District Councils goes a long way towards saying so in the document issued to hon. Members. After allowing for the abolition of the national insurance surcharge on local authority employers from next April and the greater role of the Manpower Services Commission in particular areas of further education, total relevant expenditure, at £1,514 million, is about 5 per cent. more than authorities' budgets for the current year. Within this, current expenditure is about £46 million, around 3·5 per cent. higher.

Aggregate Exchequer grant, at just over £1,014 million, is almost £50 million or 5 per cent. higher than the amount that authorities have included in their budgets for the present year, after once again making due allowance for the abolition of NIS and the MSC-related changes next year. It is the increase in the amount of grant from that assumed by local authorities in the current year that is the key element when councils consider what rate or precept they need to levy next year.

For the individual authority expenditure targets, I have retained the basic method used in previous years, although I have increased the weight given to GRE. As in previous years, I have tried to balance the need to give the maximum increase to low-spending authorities, against the need to provide higher-spending authorities with realistic expenditure targets that it would be possible for them to achieve. Thus, no authority has an increase in current expenditure of less than 2 per cent. or, generally, of more than 4 per cent., although authorities spending at or below target also have a 0·5 per cent. "bonus". In other words, a good number of authorities have been offered a 4·5 per cent. increase in current expenditure, which is in line with prospective inflation.

Deciding what the upper and lower limits should be involves difficult judgments. There is, of course, no way of satisfying everyone, but experience this year, when 31 of the 45 authorities have budgeted to meet their expenditure targets, suggests that we are not likely to be far out in our judgment.

The grant-withholding penalties have been increased for 1985-86, and at the same time the limit on grant holdback for low rateable resource authorities has been slackened. I make no apologies for these tougher measures. If an authority is an overspender in a particular year then, all other things being equal, it must be rating for the resources needed to cover the amount of grant withheld. If grant-withholding penalties were not increased, the incentive to such authorities to reduce expenditure or at least ensure that it is not increased in the coming year would be that much weaker. Authorities spending at or below target continue to be completely exempt from both grant holdback and close-ending. Such authorities have a good degree of grant certainty, and that is a very important aspect of the present grant arrangement in Wales.

Mr. D. E. Thomas (Meirionnydd Nant Conwy): One matter of great importance to my own constituency is the supplementary grant for national parks. How did the right hon. Gentleman arrive at the figure of £2·7 million in respect of this expenditure?

Mr. Edwards: The amount that we have allocated to the parks this year is generous and above the average that has been allocated elsewhere. Perhaps I might respond to the hon. Gentleman's question in more detail later.

I should like to say something about rates. In recent years, Welsh authorities generally have kept their rate increases down, although there have, on occasions, been glaring exceptions. Between 1981-82, which was the first year of the separate Welsh rate support grant settlement, and the present year, the average general rate poundage in Wales has increased by 12·3 per cent. whereas the rate of inflation for the same period, as measured by the GDP deflator, is somewhat more at 16·6 per cent. Notwithstanding this record, Opposition Members have consistently predicted average rate increases that are very much higher than, in the event, they have turned out to be. The indications that I have previously given of likely rate increases have turned out to be pretty accurate, and much more in line with what has happened than what the Opposition suggested.

As to next year, I said in December that with an increase in grant and relevant expenditure of about 5 per cent. over this year's adjusted budgets, and the continued moderation of the great majority of authorities, it should be within their power to keep rates down to levels generally comparable with inflation. Indeed, the House will have noted from an answer that I gave on Monday to my hon. Friend the Member for Brecon and Radnor (Mr. Hooson), that if, in 1985-86, every authority were to spend in line with its expenditure target and apply, where it is able to do so, the same amount of balances as in the current year, the all-Wales average rate increase would be about 3 per cent.

Of course, there will be variations around the average. Indeed, rate reductions are possible in some authorities, particularly in the heavily rated county areas of Mid and West Glamorgan. There could well be increases above the level of inflation in other authorities, especially cases such as Dyfed where, as I have said, special funds have been applied in the past artificially to reduce total expenditure, and where such funds are no longer available. The general picture should be one of an average rate increase below the level of inflation, and I see no reason why I should not be reporting that to the House later in the year.

Mr. Allan Rogers (Rhondda): Would the right hon. Gentleman like to outline, for the people of Wales, what effect his prescription will have on services that are provided for them rather than indulge in the money juggling to which his party is so accustomed?

Mr. Edwards: If the hon. Gentleman had been listening, he would have heard that local authorities are this year getting rather more than the rate of inflation. In setting out the targets and the reasonable expectations for rates that I have given, there is no reason to suggest that there should be such cuts in services as he envisages.

I repeat what I said when I announced the details of the settlement in December. I regard the settlement as very fair. That this is so reflects to an extent the restraint which has been exercised this year by most Welsh authorities. There need be no slashing cuts or horrendous reductions in services if authorities generally continue to act responsibly. They can maintain and improve key services and offer us a route away from expenditure targets. Not least important, the settlement offers the prospect of rate increases which, on average, should be below the likely level of inflation. That was never in prospect under the Labour Government. I commend my proposals for the 1985-86 Welsh rate support grant settlement to the House.

10.33 pm

Mr. Barry Jones (Alyn and Deeside): The Secretary of State confessed to a blunder with regard to some of the inaccuracies in the report, and he is contrite. When the Welsh local authorities exceed their targets, the full majesty of the Secretary of State's penalty system crushes them. Welsh local authorities pay far too heavily for their errors on targets. I hope the right hon. Gentleman has not vented his spleen for this error upon his officials, because they operate a system of great complexity. Local authorities have consistently warned him of this. Surely with this system he is straining to the limit a Department which may be insufficiently staffed.

When I was thinking about how the error happened, I came across a press release entitled "Minister to meet brewers" which said that the Minister of State, Welsh Office would tour the Whitbread brewery in Gwent. It further said:

> "He will also discuss the brewing industry's campaign for liberalisation of the licensing laws."

Of course, the Minister of State is a very sober man, but we are perplexed as to how the error happened.

The right hon. Gentleman paid tribute to Welsh local authorities for restraining their expenditure. Nevertheless, an extremely harsh grant penalty regime has been introduced. The grant holdback scheme is to be twice as severe. The overall rate of Government grant is to be cut. The Government continue the policy of transferring the burden from the taxpayer to the ratepayer. Our local authorities are anxious about the allowances that may be made in next year's settlement with regard to the effect of pay awards. Some awards for last year, I believe, have still to be settled.

In regard to penalties, the right hon. Gentleman referred to the holdback limiter. To sharpen further the effect of penalties he has proposed to halve what is described as the limiter. As the House knows, this device modifies the penalty system for low resource authorities. It helps them because they need help. I have calculated that Mid-Glamorgan is one of the most disadvantaged local authorities in Wales. Its average rateable value is very low. Its share of grant-related expenditure has gone down. The authority is discontented. This initiative by the right hon. Gentleman will not help local authorities with economic and social problems such as Mid-Glamorgan has to contend with.

The Welsh districts have a good spending record. Only two overspent their targets in the last year. They seek stability. They are concerned at the large variations in targets and in grant-related expenditure figures. I ask the right hon. Gentleman to justify neighbouring authorities having such large differences in grant-related expenditure figures. I give as an example the county of Dyfed. South Pembrokeshire has an increase of 19·7 per cent. in grant-related expenditure, whereas neigbouring Carmarthen has only 2·8 per cent. increase. Again, I ask the right hon. Gentleman to justify neighbouring authorities having such differences in targets. In Gwent, Blaenau Gwent has a 19·2 per cent. increase, but Torfaen has a 10·5 per cent. decrease.

I also ask the right hon. Gentleman to commit himself to announce his intention to remove penalties and targets from the Welsh scene in 1986-87. There is no record in Wales of spendthrift, profligate local authorities. They do not deserve harsh treatment. They face major economic and social problems. Our councils have to tackle those problems. It is against this background that local government in Wales displays restrained responsibility. The councils are not irresponsible.

With regard to the quality of services in the counties, the Government have had five years in office, and this settlement and settlements preceding it have had an injurious effect on the quality of services provided by the shire counties. It is not simply a matter of social services being cut back; it is worse. Social service departments cannot expand to meet increasing demands caused by high unemployment and the pressure on the social fabric of our communities.

There is now demoralisation and bitterness. The shire counties find it increasingly difficult to meet their requirements. Having made a series of visits to authorities in north and south Wales, I can state categorically that as quangos such as the Arts Council and the Wales Tourist Board face financial problems, they look to the shire counties to compensate their central expenditure. It is not surprising that tensions have risen.

It is no exaggeration to say that councillors and officers are demoralised by the Government's financial policy towards local government in Wales. It is not a soft option to transfer the cost to ratepayers when the economy is so depressed. The prospect is that there will be increasing bitterness between the elected councils and the electorate. Central Government's policy introduces tension into the processes of local government.

It is perhaps in education that the counties face the most severe pressure. It is there that the greatest anxieties lie. I believe the right hon. Gentleman to understand that. Hence, his defensive series of remarks about the local education authority in his own county of Dyfed.

The Welsh counties tell me that they expect reductions in primary and secondary school numbers, in the number of temporary teachers, in capitation allowances, and in school swimming facilities. It is expected that the cost of school meals will go up; that the loyal army of school meals attendants will have lesser, revised terms of

contract; that adult evening classes will be more costly; and that further education establishments will have to wait for the equipment needed to teach the new technology.

To make my point, I wish briefly to quote from an assessment by Her Majesty's Inspectorate — not a politically biased organisation — of the impact of financial stringency on education in Wales. under the heading "Premises", it states:

"this continues to be a cause of considerable concern in a majority of LEAs . . . The interval between redecoration is lengthening . . . The net effect is a slow but persistent decline in the quality of the learning environment".

It continues:

"The replacement of damaged and broken furniture is unsatisfactory in many schools . . . Replacement tends to be piecemeal and in small quantities. The effect is further deterioration in pupils' general learning environment".

Under the heading "Capitation", the report says:

"the replacement of worn and outdated stock is being postponed . . . pupils' learning experiences are impoverished as a result".

It adds, in my view humiliatingly:

"As textbooks wear out there is increasing dependence on worksheets . . . Parents continue to make a substantial contribution through school funds to the purchase of a wide range of equipment and materials. In only a minority of schools are parental contributions any longer restricted to the purchase of additional rather than essential items. In some schools the sums contributed are very large, in many cases they are equivalent to a substantial proportion of the schools' capitation and they actually exceed it in some cases."

This revealing document points a finger at the policy of the Department and the Government. It adds:

"the drab appearance of many buildings does little to enhance the learning of pupils in schools where pressure on resources has already led to some impoverishment of experience."

This settlement has missed a golden chance to quicken the pace of the economy and to tackle unemployment. If the Treasury had released its brutal hold on local government finance, we might now be planning to tackle rotten housing, the still awesome problems of environmental dereliction and the stubborn, long-term unemployment totals in Wales.

Would not it be better to fund our local councils more generously than to ladle out tax cuts to the better off? We could get our construction workers off the dole by a programme of house building and environmental renewal. We could better prepare the boys and girls in our schools for the challenge of the high-tech revolution. Even at this late stage, I urge the Government to think again because I believe that the Welsh people deserve a much better deal.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. There is but an hour's debating time left and I can see about 25 Welsh hon. Members, most of whom seem to want to take part in the debate. If many of them are not to be disappointed, speeches should be brief.

10.46 pm

Mr. Keith Raffan (Delyn): In yesterday's debate on unemployment the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said:

"To the Opposition, a reduction in unemployment is an objective towards which every aspect of economic policy should be directed."—[*Official Report*, 15 January 1985; Vol 71, c. 197.]

If Opposition Members are true to that, they should welcome this settlement wholeheartedly. It is not only fair, representing as it does a 5 per cent. increase in expenditure grant, more than inflation; it is more much more than that. It will help keep the average rate increase below the inflation rate. Surely Opposition Members can welcome that. Surely they must welcome it if they are true to what the shadow Chancellor said.

Mr. Alex Carlile: In welcoming the settlement wholeheartedly, does the hon. Gentleman welcome Delyn district council facing a target reduction of 5·6 per cent.? Does he welcome all the cuts in services that will occur in his district as a result of the settlement?

Mr. Raffan: I am delighted to inform the hon. and learned Gentleman about my constituency. I spoke to the chief executive of Delyn borough council this afternoon and I can tell the hon. and learned Gentleman that no such cuts are expected. If he waits, he will be pleasantly surprised by the rate that is set for Delyn. I shall let him know when it is set. I have a good idea what it will be. No such cuts in services will be necessary. The hon. and learned Gentleman should concentrate on his own constituency instead of interfering in mine.

Opposition Members blithely speak about Britain being reduced to a one-commodity economy. They must therefore realise the importance of keeping local government expenditure under control so as not to increase the rate burden on industry. If we let local government spending rip, dramatic rate rises will greatly increase industry's costs. Indeed, industry's costs will soar. That will lead to either of two alternatives. Industry will have to reduce costs, including declaring redundancies — Opposition Members do not want that—or it will have to increase the price of products, which will give a further edge to foreign competition, increase imports and create jobs in foreign countries. Opposition Members do not want that.

I can do no better than to quote my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath), who said yesterday:

"That must be plain even to the simplest mind."—[*Official Report*, 15 January 1985; Vol. 71, c. 227.]

The labour party has made clear its desire for direct job creation. Surely it wants to avoid indirect job destruction, but that is exactly what would result from allowing local government spending to rip.

We do not really need the Opposition tonight because we know their reaction to this rate support grant settlement or to any rate support grant settlement. All that we need is a tape recording of their response to last year's settlement, or to the settlement the year before. Out come the same insipid clichés—"harsh treatment", "draconian measures", "slashing cuts in services", "putting local authorities under intolerable strain". They show scant respect for the English language, let alone the hard evidence. The Opposition always prefer wild rhetoric to the hard evidence.

The Welsh office of the Association of District Councils has caught that infectious disease. In its submission on the settlement it said:

"Unless certain councils are able to make substantial cuts in service costs . . . they will have to make substantial increases in their part of next year's rate bills."

No doubt many county councils would take a similar view, but there is a real alternative — reordering priorities, streamlining administration and concentrating on statutory obligations.

We all know that the last people administrators will cut are themselves. That was brought out clearly in the Audit Commission's profile on Clywd county council for 1984-85. The section on staffing shows that as at March 1984 the number in the chief executive, legal and secretarial departments was 176; 108 more — 250 per cent. more than the average number of staff in similar departments in directly comparable authorities.

The architectural department numbered 163; 72 more, or more than 100 per cent. more than the same department in directly comparable authorities. No private architectural practice would survive financially relating that level of staff to the level of work undertaken. The capital projects that are the responsibility of Clwyd's architectural department average a value of between £6 million and £6·5 million. A well-known Liverpool architectural practice undertakes capital projects of £30 million with just half the staff of Clwyd—just 80 people.

Clwyd county council must get its priorities right. What does it think it is doing, buying and trying to develop Bodelwyddan castle as a tourist centre and a palace for culture? The educational part, TVEI, could easily be placed elsewhere. Why does it have to contribute £2,000 towards a sculpture in Mold bus station? It is not by a Welshman, the hon. Member for Rhondda (Mr. Rogers) will be sad to hear. It is not even by a Scotsman—it is by somebody from Sussex.

The council has no need for a dramatic cut in its services provided that it concentrates on its statutory obligations and streamlines its administration. To that end, earlier this year I and leading Conservative county councillors called for independent management consultants to be brought into the county council. The officers strongly opposed that, without giving any reason. If, as they said, their administration was devoid of waste and efficient, they should surely have welcomed independent management consultants with open arms, because they could have vindicated them.

The recent controversy over the education budget confirms my view that the sooner independent management consultants go into shire hall, the better. I am glad that I am supported in that view by the teachers union, NAS/UWT. I was also delighted to hear that at the education committee meeting on Tuesday 13 November Councillor Broderick—the vice chairman of the policy, finance and resources committee, and a Labour member — called for a detailed examination of Clwyd's base budget, something which I and Conservative county councillors have been continually calling for.

If Clwyd needs an excellent example of how to manage its affairs, it need look no further than from Mold to Flint. Delyn borough council — as the hon. and learned Member for Montgomery (Mr. Carlile) will be glad to hear —is currently examining its loss-making activities with

a view to reducing the burden that they impose on the rates. It intends doing that by more effective management of resources and by trying to generate fresh income.

Many will watch with interest when the two authorities come to set their respective rates. We can then judge which council—in the words of the Audit Commission—has

"made proper arrangements for securing economy, efficiency and effectiveness in its use of resources."

10.53 pm

Mr. Donald Coleman (Neath): Having listened to the hon. Member for Delyn (Mr. Raffan) denigrate the county that he represents, I wonder why he ever sought to represent it in this House.

Although we are discussing the Welsh RSG settlement for 1985-86, we cannot get away from the central fact of the Government's strategy for expenditure by local authorities which has been set out by the Association of Metropolitan Authorities in its briefing to hon. Members in respect of RSG settlements in these words:

"The RSG Report maintains that the Government's expenditure figures should enable the Government's policies for individual services to be maintained."

However, those figures imply a massive cut from the level of services provided by local authorities in 1984-85. For current expenditure—wages, goods and services—a cash reduction of 0·5 per cent. is demanded, which represents a real cut of £700 million.

All debates on matters affecting rate support grant, concerning England, Scotland or Wales, must be approached from a common standpoint — that the Government are determined to interfere in the activities of those who have a direct responsibility towards those who elected them. The public must accept that if the services provided by local authorities are cut, those cuts are the responsibility of the Secretary of State for Wales and his Cabinet colleagues. It is no use the Government trying to take it out on local councillors. The responsibility lies squarely on the occupants of the Treasury Bench.

The RSG settlement for Wales fails to take account of the need for economic regeneration in all parts of the Principality, the increase in total expenditure being only 5·4 per cent., which is 4·5 per cent. for current costs. The shortfall of 1·5 per cent. in the 1984-85 RSG provision has not been taken into account in the figure for 1985-86. It is reasonable to assume that the right hon. Gentleman, who has praised local authorities for their efforts in cutting costs in the last five years, should have taken account of that.

The Chancellor of the Exchequer seems glued to the idea of making cuts in income tax for the better off sections of society. If there is room for some relief, it should be used to spread the burden more widely. One way to achieve that would be to give a better deal to local communities. In the latest RSG settlement we are told that there will be a reduction in the aggregate Exchequer grant of 2·2 per cent., from 69·2 to 67 per cent., which is the equivalent of an average rate increase in Wales of 11p in the pound, or 6·5 per cent.

The block grant, which is the main rate support for Welsh local authorities, has been increased by only £12 million, or 1·5 per cent., which, when measured against the increase in the total expenditure provision, is a reduction of £30 million, or 3·5 per cent. — the equivalent of a 6 per cent. increase in rates in Wales for 1985-86.

So persuasive have the Government been in influencing local government expenditure, and so great is their confidence in that influence, that they have resorted to setting targets enforceable by penalties. Those penalties have been retained in this RSG settlement. Indeed, they have been increased, from 40 per cent. and 90 per cent. of excess expenditure in 1984-85 to an average of 150 per cent. in 1985-86—namely 100 per cent. for the first 1 per cent. excess, 200 per cent. for the next 1 per cent. and 150 per cent. thereafter—while the limiter on the effect of penalties for low rateable value authorities has been halved. As my hon. Friend the Member for Alyn and Deeside (Mr. Jones) said, that is resented by local authorities.

There is much more that could be said on this subject, but the time available to us in the debate is limited. In fairness to my hon. Friends who wish to make contributions, I shall bring my remarks to a conclusion. In this matter, as in so many others for which he has responsibility in Wales, the Secretary of State is failing Wales and the Welsh people. How much longer have we to wait before he goes?

11 pm

Mr. Ian Grist (Cardiff, Central): Little would one have thought from the speech of the hon. Member for Neath (Mr. Coleman) that after deducting the national insurance surcharge from the Manpower Services Commission's contributions to the higher education budget, the grant has been increased by about 5 per cent. I do not think that he has spotted that, although it was referred to by my right hon. Friend the Secretary of State at the outset of his remarks.

It is worth looking back to last year's debate on the same issue, which continued for rather longer than, thankfully, this one will. Labour Members gave terrible warnings to the people of Wales during that debate of what would happen in the following 12 months. Most of their predictions fell flat on their faces. Rates did not rise to the extent that we were promised and old people's homes were not closed as they threatened. People were not left without a meals-on-wheels service, although we were told that that would happen. None of these things occurred. However, we were not warned of the devastating effect on the economy of Wales, especially south Wales, of the miners' strike, which is ardently supported by most Labour Members. The strike has damaged local life and the capacity of the British community to raise finance, because it has deducted 1 per cent. from the growth of the nation in the past 12 months. That 1 per cent. of growth could have been used to fund the causes which we all want to support——

Mr. Ron Davies (Caerphilly): Can you advise me, Mr. Deputy Speaker, whether the comments that the hon. Gentleman is making on the miners strike——

Mr. Grist: Is this a point of order, or is it an intervention?

Mr. Deputy Speaker (Mr. Harold Walker): Order. Mr. Grist.

Mr. Grist: The hon. Member for Caerphilly (Mr. Davies) obviously has a sore conscience on this issue, and it is one that he well deserves.

The settlement that we are debating will be a major contributor to reducing inflation and inflationary

[Mr. Grist]

expectations. That will be its major contribution to the future of the Welsh economy and the people of Wales. We must reject the idea that 5 per cent. is a reasonable rate of inflation. At 5 per cent., the value of the pound halves in 14 years. If inflation is 10 per cent., its value will be halved in seven years. We must realise that 5 per cent. is a sharp level of inflation and one that a few years ago we would have considered a disgrace. We must reject the expectation of high inflation and the consequent costs. If we can hold down inflation to 3 per cent. this year, 1 per cent. next year and a flat rate the year after, so much the better for pay claims, the attraction of Wales to foreign industry and our own industry and the support of jobs in our constituencies.

I hope that my right hon. Friend the Secretary of State will be pleased to hear that the rate poundage in Cardiff is not likely to rise by the 5·5 per cent. which his figures suggest. We might very well undershoot 5·5 per cent., and Cardiff is one of the areas that is predicted to have an inflation rate that is slightly above the average. If the rate poundage does not rise by the percentage that is predicted, so much the better for the capital of Wales.

The hon. Member for Alyn and Deeside (Mr. Jones) was remarkably moderate in his speech. He did not belch the flames that he tried on us last year. Unfortunately, he picked, as did the hon. and learned Member for Montgomery (Mr. Carlile), on the education budget. That budget must take account of problems associated with demographic change. We all know of the figures showing that pupil-teacher ratios have been improving, despite decreases in the number of teachers. Studies should show also that movements in population and demographic shifts must lead to changes. Every hon. Member believes that, unless he is a populist who simply wants to gain every available vote. Everywhere the opening of new schools and the closing of old schools helps us to recognise population movements and structure changes. That process must be carried on.

Because elections will be held next year, some authorities and all political parties are sitting on their hands. I speak as a parent with children in local schools, and I believe that, unless our children have fairer opportunities with a better spread of subjects, some schools, even in the cities, will have to merge. The savings can be considerable, and we must examine that aspect.

Some of the difficulties in schools involving books, pens and paper have been the result of the National Union of Teachers urging higher pay awards than provided for in the original budgets. It is clear from the negotiating position of all parties involved in considering teachers' pay that extra pay above last year's 4·5 per cent. guideline would come straight from the education budgets. That money would otherwise go towards assisting pupils in schools. The penalty must be paid for union intransigence, supported by the Opposition, who always envisage a large political buck being gained from supporting union pay demands. If we can keep down the demands of populists and can lower inflationary expectations — part of the effect will show up in pay rises—so much the better for local authorities, the people they serve, the economy and jobs for our young people.

11.6 pm

Mr. Alex Carlile (Montgomery): I remind the Secretary of State of something said in 1980, at paragraph 103 of the report on the role of the Welsh Office by the Select Committee on Welsh Affairs. The Committee said:

> "Our conclusion at the end of the inquiry is that, notwithstanding the actions taken by Government, there exists in Wales not a jobs gap but a jobs chasm into which the economic and social structures of large parts of Wales are in danger of falling. Only a sustained programme of Government assistance to the Principality can prevent this."

That Committee had a majority of Conservative Members. There is a strong feeling in Wales that that advice, based on long and considered evidence, has been totally ignored and that the Secretary of State and his colleagues, while they swan around opening showpieces, do not look at what is really happening — in housing, transport, education, industry, employment, agriculture and items such as the collection of refuse, water and sewerage. They just do not know what is going on.

It is a disgrace to hear the Secretary of State for Wales supported tonight by the hon. Member for Delyn (Mr. Raffan), whose constituency has been so severely damaged by this settlement. Furthermore, it is apparent that the Welsh Office is not averse to being subtly disingenuous about what is happening in Wales. In answer to a question that I asked some days ago about the proposed development of pre-school and nursery education in Wales, the Minister of State said:

> "Provision for under-fives by local education authorities in Wales is at a high level, some 85 per cent. of 3 and 4 year-olds being catered for."

So far, so good. We are proud of that record. But the hon. Gentleman went on to state:

> "and Government policy assumes that provision will continue at this level."—[*Official Report*, 14 January 1985; Vol. 71, c. 23.]

It is absolute humbug to suggest that the Government really believe for one moment that the provision for nursery education could continue at that level with this settlement in mind.

The Powys director of education, in writing to parents who have complained to him about the declining standards in schools and nursery education, is telling them openly that the quality of education in Powys is bound to suffer because of the financial stringencies placed upon it.

I do not believe that the Welsh Office or the Secretary of State could justifiably accuse the Powys education authority of being profligate or of doing anything other than trying to husband its money well and providing a reasonable standard of education. That responsible, non-political education authority is telling the truth about what is happening to education in Wales as a result of this settlement. Standards are being made to fall.

District councils face receiving about £17 million in real terms less than the total of the Welsh district councils' block grant in 1983-84. In real terms total targets have been reduced by 3 per cent. within the past two years. Some of the variations between Welsh local authorities are causing confusion, consternation and a feeling of rank injustice as between one local authority and another. The bottom line of the story is that we have seen a continuous regression of services in Wales since 1981 because of the Government's failure to recognise the conclusion correctly reached by the Select Committee in 1980 to which I referred earlier.

A large part of the problem has arisen from the Welsh Office's reliance on grant-related expenditure assessments as a measure of need. GRE is no longer, if it ever was, a realistic measure of need. It is interesting to note that, while the Government will latch on to anything that the Audit Commission says which enables them to make cuts, they have conveniently sought to avoid the Audit Commission's expressed doubts as to the method of calculation of GRE. The result of the way in which GRE is calculated is that local communities have lost the right to choose through local democracy, as represented in their councils, the balance that they wish to choose between rates and services.

We no longer have local democracy in Wales because of the parameters which are placed upon county and district councils by the Welsh Office and this settlement. In 1980, the Select Committee feared for the state of Wales then. Today, nearly five years later, we must fear seriously for what will be the state of Wales at the end of this Government's term of office.

Surely the time must come soon—though one doubts it with this Secretary of State—when there will be a radical review of the Welsh economy, and when local government will be recognised as one of the realistic means through which the Welsh economy can be revitalised. Surely the time will come when the Welsh Office will be forced to recognise that the limping Welsh economy will have to be regenerated by increased local government support.

We could have debated many issues tonight, but time does not permit us to do so, because many other hon. Members wish to speak. I wished to highlight the truly desperate problem of education. It is high time that we heard the Conservative party confess honestly that it means by its policies, as surely it does, to reduce the quality of education in Wales so that it becomes a second-rate system.

11.13 pm

Mr. Peter Hubbard-Miles (Bridgend): I wish to highlight the subjects that the hon. Member for Alyn and Deeside (Mr. Jones) highlighted. He was correct to highlight education, which is by far the largest element in local authority budgets. He was right to single out Mid-Glamorgan, which is the largest shire county in Wales with the largest education budget. He was wrong in portraying Mid-Glamorgan as a county that is disadvantaged in its education budget and lacking in its resources, because Mid-Glamorgan only recently boasted about its expenditure on education, and pointed out that per head of population it spends 10 per cent. more than the average English and Welsh county spends on education. In certain fields it spends vastly more per head of population than the average English and Welsh authority. For example on nursery education it spends 250 per cent. more per head of population than the average English and Welsh county; on primary education it spends 38 per cent. more; on secondary education it spends 11 per cent. more. So the idea that Mid-Glamorgan education is somehow disadvantaged is absolute nonsense.

If Opposition Members are claiming that Mid-Glamorgan is disadvantaged, they are accusing Mid-Glamorgan of gross incompetence and mismanagement of its resources. That may well be the case but, far from being short of resources, in this year the Mid-Glamorgan county council has managed to find £668,000 out of its educational budget for non-educational purposes — in other words, for supplying free school meals to the children of striking miners. That has been shrouded in the idea that it is for the children of disadvantaged parents, but I wonder whether the free school meals will continue to be provided for those people after the miners' strike is ended. It will be interesting to see whether Mid-Glamorgan continues providing its free meals for all disadvantaged children.

The hon. Member for Alyn and Deeside is somewhat optimistic in suggesting that in the future there will be no need to penalise counties for overspending, because Mid-Glamorgan county council is now deliberately intending to overspend in order to create a sort of mini-Liverpool situation in Wales; in fact, this year it is taking £3 million from its capital account to subsidise its revenue account, and has been warned by its chief officers over the past four years of the need to make reasonable economies in its budget to avoid a serious situation. Only in recent weeks it has been warned that unless it is prepared to accept certain cuts in its budget, next year it will face a very severe situation.

Therefore, far from being disadvantaged and far from not having resources, the Mid-Glamorgan county council's education budget has the resources, but of course it will continue to pretend that it does not have them.

11.17 pm

Mr. Ron Davies (Caerphilly): May I first make it clear to the hon. Member for Bridgend (Mr. Hubbard-Miles) that Labour Members understand the problem that exists in Mid-Glamorgan. They understand the scale of deprivation and the problems that Mid-Glamorgan has to tackle as an education authority. The very fact that it spends more than the average means that it has greater needs than the average. That is the sole reason for that additional expenditure.

Let me assure the hon. Member for Bridgend that Labour Members do not want to see anyone starving. They do not want to see the children of miners starving. We regard it as a proper charge on the public purse that the children of striking miners should be prevented from the form of starvation that the hon. Gentleman wishes on them.

Dr. John Marek (Wrexham): It is really a question of representation. My hon. Friend has hit the nail on the head, because I have a press release from Clwyd county council which states:

"Mr. Raffan"—

the hon. Member for Delyn—

"in particular must know that making and repeating misleading statements does not disguise the real truth."

There we have it. Conservaative Members make misleading statements to disguise the privation in the Principality.

Mr. Davies: I welcome that point. With regard to misinterpretation, I should like to take issue with the Secretary of State because I believe that his statement today and his suggestions on Monday have done a disservice not only to the people of Wales but to local government in Wales. I noticed with interest that in the *Western Mail* on Tuesday this week he suggested that five of the six local authorities in Mid-Glamorgan would be able to reduce their rates. On Tuesday evening he had a dusty reply from the treasurer of Mid-Glamorgan. The *South Wales Echo* said:

[Mr. Davies]

"Mr. Ray Lacey, treasurer to Mid-Glamorgan county council, described the Secretary of State's announcement as a 'theoretical exercise which will only serve to confuse ratepayers . . . What Mr. Edwards does not know—and Mr. Edwards knows that he does not know—is the special circumstances in each local authority.'"

When the Secretary of State calls in aid independent assessors or objective judgments, perhaps he will accept the advice of the treasurer of the largest local authority in Wales.

With regard to the individual problems of our valley communities, I should like to draw the attention of the Secretary of State to the problem that we have in Rhymney valley. I remind him that between the two years from 1982-83 to 1984-85, the amount of rate support grant that the local authority received per 1,000 head of population fell from £66,750 to £57,000, a reduction in real terms in the amount of money received by that local authority. There was a marginal increase for the county authority. The grant rose from £264,000 to £268,000 over a three-year period, when no provision was made for inflation. Mid-Glamorgan is facing a crisis, which forced it at the end of last year to discontinue swimming instruction for young children. That is the nature of the society that the Secretary of State is creating for us in the valley communities in Mid-Glamorgan.

I should like to refer again to Rhymney valley, because I believe that the Secretary of State is misleading us. I refer him to the figure for 1984-85, the current year. He stated that the coming year's settlement for 1985-86 was good. He realises that it might be an easier settlement than the current year's settlement, but he knows that that settlement was the most punitive that we have seen in local government, certainly in the time that the right hon. Gentleman has been in that office down in Cardiff.

The expenditure in Rhymney valley during the current year will be about £8·417 million. The target set by the Secretary of State for next year, 1985-86, is £8·521 million —a marginal increase. However, if the right hon. Gentleman compares the expenditure that that local authority is likely to incur in 1985-86 on the basis of its expenditure in the current year, he will realise that there is a shortfall approaching £500,000. If the local authority attempts to meet that shortfall, if it goes 3 per cent., 4 per cent. or 5 per cent. over target, the right hon. Gentleman will take a further £500,000 of rate support grant away from it, thus forcing it into a crisis.

The Secretary of State may say that it is easy enough for the local authority to make adjustments, that it can trim a bit here and a bit there, but the fact is that it cannot do so, because local authorities have been forced to cut back time and again, year after year, by the successive settlements from the right hon. Gentleman. We are no longer cutting back on luxuries—we are cutting back on essentials. Therefore, the local authority in Rhymney valley, with 60 per cent. of expenditure on personnel and related matters, is forced to take the decision to sack people if it wishes to meet the targets. If it sacks people, it will achieve two things. It will increase the level of unemployment in our valley and it will mean that we have fewer services. That is the accusation that the Secretary of State has to answer.

I make one further accusation against the Secretary of State. The relationship between central and local government has been based on a contract that local government's responsibility is to improve services and central Government's responsibility is to help local government to meet the bill. The Government have broken that contract, and the responsibility for that rests on the shoulders of the Secretary of State.

11.26 pm

Mr. Dafydd Wigley (Caernarfon): District councils throughout Wales have an enormous problem arising from this settlement, which relates once again to the lack of finance to abide by the promises made for renovation grants for houses. People who will be waiting for another year, two years or three years can thank the Secretary of State for that.

Some councils such as the Dwyfor council in my constituency have enormous problems with capital allocation. To meet their statutory responsibilities, they will have to spend the entirety of their capital allocation on refuse disposal equipment, and they will have nothing left for anything else. That is the magnitude of the problem.

I want to concentrate on the situation facing the counties, particularly Gwynedd. I want to concentrate on the 10 years from 1974 to 1984. In this period, the gross expenditure of the county has increased by only 211 per cent. compared to an expenditure of almost 300 per cent. by central Government. In the same period, the grant from central Government has increased by only 177 per cent. and the ratepayer has been left with an increase of 319 per cent. That is the outcome of the Government's policies. The county has lost the equivalent in current money terms of £9 million in grants from central Government since 1974.

I want to put to the Secretary of State the point that I have put to him before—the unresolved issue of the continuing privations suffered by Gwynedd county council through the formula. The grant-related expenditure generated for Gwynedd is £97·1 million. The target for 1985-86 is only £94·4 million, so the target is £2·5 million less than the Welsh Office recognises to be Gwynedd's needs.

The Secretary of State has repeatedly defended this on the basis that, before he took office, the county did not maintain such a level of services as was shown by the GRE to be justified, so why should it sustain them now? But the Secretary of State knows very well why Gwynedd could not sustain that level of services: it simply did not have have the money. He knows that those services were needed. That is clear from the speeches that he and the hon. Member for Conwy (Mr. Roberts) made during the 1970s when they were in opposition. Gwynedd lost some £4 million between 1974 and 1978. The Secretary of State referred to this with regard to the cuts that were taking place in 1976. As the hon. Member for Pembroke, he said:

"In terms of social need and stress, problems are as severe in some Welsh counties as in some metropolitan districts. The rural areas have fared particularly badly. Dyfed and Gwynedd suffer from low incomes, poverty and high unemployment . . . They also suffer from sparsity of population and have to cater for an annual influx of tourists for which sufficient allowance is not made in the present formula. Yet these counties are among the worst sufferers under the system of distribution that the Government have imposed."

In other words, the Secretary of State at that stage recognised the need for greater expenditure on services in a county such as Gwynedd. But what did he do? When it came to the rates, he said:

"To many, this further imposition of rates will come as a final straw, and they will go out of business."—[*Official Report*, 22 December 1976; Vol. 923, c. 840-2.]

He fought hard against the increase of rates.

If one needs the services and one cannot have the increase in rates, there is only one logical conclusion: the money has to come from central grants. It is that logic that Gwynedd is putting back to the Secretary of State now. In order to get the money that is needed to sustain the services that he and the Government recognise as being necessary through the GRE, there must be a great contribution from central Government.

The hon. Member for Conwy repeated this plea in 1977. He implored the counties not to exceed the 10 per cent. ceiling in rate increases at that time because of the effect that it would have on other people. He said that "even though that will probably mean cutting services to the bone"—[*Official Report*, 15 December 1977; Vol. 941, c. 1021.]

he wanted a reduction in rate increases. That is fair enough, but if these services are needed and the counties cannot get them from anywhere else, provision should be made for them from central Government money.

That could have been achieved this year if the 4 per cent. limit had not been applied to the increase in target from 1984-85 to 1985-86. Gwynedd could then have increased the £94 million to £96·2 million and been much closer to target. I implore the Secretary of State yet again to ensure in the next 12 months that the target and GREA for Gwynedd are the same so that we can achieve the services that we need.

11.29 pm

Mr. Roy Hughes (Newport, East): Having listened to the Secretary of State today, I tend to agree with the Welsh Office of the Association of District Councils that the settlement must be regarded as a lost opportunity to provide resources to revitalise the Welsh economy.

In the Secretary of State's handling of these matters the weakest invariably go to the wall. For instance, his favourite target is Mid-Glamorgan—an attitude in which he seems to be supported by the hon. Member for Bridgend (Mr. Hubbard-Miles)—which is probably the most deprived county in the whole of Great Britain, with astronomical unemployment figures, appalling housing which has affected life expectancy, an ageing population and social services strained to breaking point. With all those difficulties, the county might reasonably have expected a sympathetic hearing from the Government, but all that it gets are exhortations to cut the rates and threats of new and further penalties if it does not.

Thousands of disabled people are waiting for specialist conversion work on their homes, but Government cuts have left local authorities too short of money. In Newport alone more than 500 disabled people are now waiting for adaptations to their homes, ranging from stairlifts and bathroom conversions to ramps and handrails, but the cash is simply not available due to the Government's Scrooge-like attitude. That situation applies throughout Wales. It is no wonder that Mr. Joe Hennessy, secretary of the Wales Council for the Disabled, has written to the Secretary of State demanding urgent action.

Councillor Lloyd Turnbull, leader of Gwent county council, wrote to the Secretary of State on 10 January—I understand that the chief executive, Mr. Perry, has written in similar terms—complaining about the jiggery-pokery involving £4·6 million that the authority believes is due to the county. Councillor Turnbull expressed surprise at the statement by the Secretary of State in December that, taking everything into consideration, rate increases should be about 4·5 per cent., as Gwent will actually receive less grant in cash terms in 1985-86 than it received in 1984-85. If the block grant is calculated at the same percentage as in 1984-85, however, the county would receive an additional £4·6 million. As that loss is equivalent to 10·5p in rate precept requirement, how can the council be expected to keep the rate increase down to 4·5 per cent. when services have already been cut to the bone?

The rate support grant provides the wherewithal for local government to carry out its essential functions in the community. Our local authorities realise that the Government are engaged in a cost-cutting exercise. Recently, for instance, in answer to a parliamentary question from my hon. Friend the Member for Alyn and Deeside (Mr. Jones), the Secretary of State was forced to admit that since 1981-82 the amount received by our local authorities in rate support grant had declined by £65·7 million. That financial stringency has posed all manner of problems for our local authorities, which have to provide and operate the essential services.

Criticism is no longer confined to Labour-controlled local authorities. Only last week Councillor Parker, leader of Monmouth district council, which is heavily dominated by the Conservatives, warned his own Government of a coming revolt among Conservative councils over what he called the horrendous situation in local government. He asked, "What the hell are the Welsh Office and the Government doing to us?" I have no wish to embellish those words. To do so would be to gild the lily.

Finally, I endorse the criticism of the Secretary of State's presentation of the settlement. The fact that a second document, amending the first, had to be circulated is almost without precedent. It adds to the failure of the Secretary of State in so many other areas. In the eyes of the people of Wales, the right hon. Gentleman stands condemned.

11.37 pm

Mr. Nicholas Edwards: The hon. Member for Meirionnydd Nant Conwy (Mr. Thomas) asked me about national park grant. National park supplementary grant has been increased by 5·25 per cent., and the overall level of accepted expenditure on which grant is paid has been increased by 6·8 per cent. in the current year.

The hon. Member for Caernarfon (Mr. Wigley) referred to Gwynedd. I have just written to him on the subject. I have pointed out that because of the problems to which he referred, Gwynedd, at £406 a head, has the fourth highest target of any authority in England or Wales. Its share of the Welsh rate support grant system has been increased, and it has been able to increase its current expenditure since 1981-82 by more than the rate of general inflation. Those are all signs that are moving towards meeting some of the problems of Gwynedd.

The hon. Members for Alyn and Deeside (Mr. Jones) and for Neath (Mr. Coleman) and the hon. and learned Member for Montgomery (Mr. Carlile) said a great deal about the contribution that local government could make to the economy and about the Welsh share of that contribution. If they argue that the settlement fails to take account of the need for economic regeneration, I am entitled to point out various facts. The settlement

[Mr. Nicholas Edwards]

represents a 5 per cent. increase in expenditure and grant above the expenditure rate. The target per head in Wales is 21 per cent. higher than the target per head in England, because of the problems of the Principality. The net capital provision per head is 50 per cent. higher than it is in England, because there is in Wales a better record of control of expenditure by local government in Wales. We are likly to produce average rate increases of not much more than the general level of inflation, and that will make a substantial and significant contribution to economic recovery.

Mr. Gwilym Jones (Cardiff, North): If I were to tell my right hon. Friend that the rate in Cardiff is likely to be the lowest in Wales, and possibly the lowest in Britain, would he agree that that is the best possible advertisement to encourage people to relocate there?

Mr. Edwards: Yes. My hon. Friend the Member for Cardiff, Central (Mr. Grist) made the same point. That is the real contribution that can be made to the recovery of the economy.

The hon. Member for Alyn and Deeside complained about rotten housing, but the Government of which he was a member spent £58 million on housing improvement in Wales in five years, whereas we spent £107 million in one year. His record is no basis on which to make such criticisms.

We have heard much about the problems of Mid-Glamorgan. Because those problems are understood and recognised, it has the third highest target per head in England and Wales. If it was setting out to tackle the problems that were described, it should not have increased its manpower by 1·8 per cent. since 1981.

We have heard many complaints about transferring the burden of supporting local government from the taxpayer to the ratepayer. However, I note that the Committee of Welsh District Councils does not dissent from the Government's policy of reducing the taxpayers' contribution, and I welcome that.

The hon. and learned Member for Montgomery and the hon. Member for Caerphilly (Mr. Davies) talked about education. I am entitled to tell the hon. and learned Member for Montgomery that, in primary education, expenditure per head in Powys has increased by more than 13 per cent. since 1979-80 and that expenditure on secondary pupils has increased by more than 11 per cent. during the same period. There has therefore been a substantial increase in expenditure in real terms in Powys. Exactly the same is true for Mid-Glamorgan. The hon. Member for Rhondda (Mr. Rogers) recently tabled a question asking for information about expenditure per head in the counties of Wales and I gave him the answer. Expenditure has increased in Mid-Glamorgan as well, and is now at its highest level ever.

Mr. Allan Rogers: If the Secretary of State wants to quote figures to the House, will he say on what basis the figures are calculated? Are they calculated on a 1979 basis, or on some other one?

Mr. Edwards: They are calculated on the basis on which the hon. Gentleman asked his parliamentary question. I answered that question. They are expressed in 1983-84 prices. Expenditure per head on primary school pupils in 1979-80 was £639, and £788 in 1983-84. For secondary education it was £880 per pupil in 1979-80, and £979 in 1983-84. We should not therefore have all this nonsense about the devastation of education.

My hon. Friends the Members for Cardiff, Central and for Delyn (Mr. Raffan) rightly emphasised the importance of low rates to industrial recovery. My hon. Friend the Member for Delyn was criticised by the hon. Member for Neath for daring to make some critical comments about his county council and suggesting that it might call in consultants to improve efficiency. The hon. Member for Neath has an odd concept of the role of a Member of Parliament if he believes that his sole duty is to act as a mouthpiece for his county council.

The hon. Gentleman complained about interference with local government, but I think I am entitled to point out that the taxpayer still produces 67 per cent. of the cost of local government in Wales. Partly because of our low rateable values, and partly because of the good record of local government in Wales, that share has fallen by less than the reduction in England, where the contribution from the central taxpayer is 48·7 per cent. Once again that gives the lie to the allegation that in some way I or the Welsh Ofice have failed the people in Wales.

The Welsh Office of the Association of District Councils has admitted that this is a fair settlement. It is a good settlement, and I commend it to the House.

Question put:—

The House divided: Ayes 318, Noes 179.

Division No. 68] **[11.45 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Robert *(South Ribble)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bevan, David Gilroy
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander

Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Jackson, Robert
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
Kilfedder, James A.
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Ian Lang.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Crowther, Stan
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman

Gould, Bryan
Hamilton, James *(M'well N)*
Hancock, Mr. Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wallace, James
Wardell, Gareth *(Gower)*
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Noes:
Dr. Roger Thomas and
Mr. Lawrence Cunliffe.

Question accordingly agreed to.

Resolved,

That the Welsh Rate Support Grant Report 1985-86 (House of Commons Paper No. 100), which was laid before this House on 12th December, be approved.

Welsh Rate Support Grant Report 1985-86 (Amendment)

Resolved,

That the Welsh Rate Support Grant Report 1985-86 (Amendment) Report (House of Commons Paper No. 147), which was laid before this House on 10th January, be approved. *—[Mr. Nicholas Edwards.]*

Wildlife (Northern Ireland)

11.57 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Chris Patten): I beg to move,

That the draft Wildlife (Northern Ireland) Order 1984, which was laid before this House on 22nd November, be approved.

This order, like the other which the House is to debate this evening, has benefited from the Assembly's scrutiny. A number of changes for the better have been included in it as a result.

I am particularly pleased to bring forward this proposal, as it represents the first comprehensive wildlife law for Northern Ireland. Northern Ireland's geographical separation from the rest of Europe has obviously been a constraint on the variety of its wildlife. It is therefore essential to protect what we have. The provisions will protect many species of wildlife. These correspond to the Wildlife and Countryside Act 1981 which brought the law in Great Britain into line with four international agreements entered into by the Government of the United Kingdom—the EEC directive on the conservation of wild birds, the Berne convention on the conservation of European wildlife and natural habitats, the Ramsar convention, which is concerned with the establishment and protection of internationally important wetlands, and the Bonn convention on the conservation of migratory species of wild animals. Part I of the Wildlife and Countryside Act and the Deer Acts 1963 to 1980 are the main sources of the draft order.

The order is in four parts. The first is procedural and deals with the title and commencement of the order. Part II relates to the protection of birds and other wild creatures and plants. The provisions relating to wild birds cover articles 4 to 9. The EEC directive contains the basic premise that all birds, their nests and eggs shall be fully protected and that requirement is achieved in article 4. Control of bird species is obviously essential, for example, in relation to pest birds which can be damaging to activities such as agriculture, and the birds which have traditionally been used for sport or food or both. The necessary exceptions can be found in article 5, although inhumane methods of killing and taking of such wild birds are banned by virtue of article 6, which restates the existing law on wild birds' protection in relation to the prohibition of traps, snares, hooks and nets and includes several new methods proscribed under the EEC directive. An additional provision has been added since the proposal was published for consultation, making it an offence for a landowner to permit or allow the use of these prohibited methods on his land. That provision is repeated later in the order in connection with wild animals.

Article 7 deals with the sale of live or dead wild birds. The sale of any live wild bird is prohibited entirely and only one species of dead wild bird may be sold—the wood pigeon. Regulations will be made, however, to permit certain individuals—taxidermists in the main—to trade in dead species. There is a later similar article on animals.

Under article 9 it will be an offence for any person to be involved in any event where captive birds are freed to be shot or hunted by trained birds of prey immediately after their liberation. That offence is a substantive change made since the proposal was published. The practice is apparently growing in some European countries and this

provision, which is not included in the Wildlife and Countryside Act 1981, is designed to prevent its spread to Northern Ireland.

Provisions on the protection of other animals begin with article 10. Creatures such as the badger, pine marten, otter, red squirrel and certain butterflies are protected for the first time. A full list of protected creatures is contained in schedule 5. There must, of course, be exceptions—allowed for in article 11 — to safeguard domestic livestock, crops and other forms of property. In article 10 there is a further change from the published order. The protection afforded to structures or places used by wild animals for shelter has been extended to cover also anything that conceals or protects them. That change was made in the light of the difficulty experienced by the Nature Conservancy Council in interpreting the corresponding provision in the 1981 Act.

Article 12 prohibits the use of inhumane methods of killing and taking wild animals, and the ban on the use of self-locking snares has been reinforced by a new provision prohibiting their sale.

The special protection of plants is contained in article 14. In view of the possible difficulties in enforcing these particular provisions, it is my firm intention that there should be the widest publicity to impress on the public the importance of leaving the countryside as they find it. the provision is not entirely restrictive. The picking of wild flowers, apart from those in the specially protected category, is still permitted, but for obvious reasons it is an offence to uproot or destroy any wild plant.

Article 15 deals with the introduction of new species. There are two main reasons why introductions require strict control. First, foreign species may thrive and spread rapidly because of the lack of competition. Like the grey squirrel and the mink, they may then cause damage to trees, livestock or other forms of property. I think that that has been a problem in parts of County Tyrone. Secondly, they may cause the number of our native species to decline by competing for their food and space. The presence of American mink in Northern Ireland is an expensive reminder of how an introduction can be harmful both to property and to wildlife. The penalties for an offence under this article are high and reflect the need for tight controls on non-native species of plants and animals.

Article 16 deals with the establishment of wildlife refuges under which, for example, bird sanctuaries may be designated by order. The provisions of this article will not override the existing statutory rights of landowners as designations will only be through agreement.

The licensing provisions of the order are contained in article 18. There is a substantial list of activities that may be carried on that are otherwise in contravention of the provisions of the order, provided they are done under and in accordance with a licence issued by the Department of the Environment. It is intended that the administrative costs of issuing licences will be partially offset by a suitable charging system.

In this article there is a further change from the published order in that a licence relating to the killing of a species will require to specify the particular species which may be killed and the person authorised to do so. This tighter control is felt to be justified in such circumstances.

Part III of the order covering articles 19 to 23 relates to deer. During the late 1970s, several unsuccessful Deer Bills were introduced by various private Members at Westminster, each including the protection of deer in Northern Ireland. The final version, the Deer Act 1980, turned out to be a truncated version of earlier Bills and did not, unfortunately, embrace Northern Ireland. An undertaking was then given by one of my predecessors that the protection of deer would be included in any subsequent wildlife measure in the Province.

Until now, Northern Ireland has had the unenviable distinction of being the only country in western Europe not to have national laws for the protection of deer. The present proposals closely follow those contained in the Deer Acts 1963 to 1980 and cover items such as close seasons, nightly shooting times, prohibited weapons, poaching and the purchase and sales of venison.

Certain exceptions have been provided which will allow for the veterinary treatment of deer and the killing of deer out of season by an authorised person on certain agricultural land and garden grounds. The exceptions provided for deer farmers and for the purpose of protecting any person threatened by a deer have been limited in the former case to specified acts, and in the latter to circumstances where there is an immediate threat and by the application of a standard of reasonableness to the act carried out. This, again, is a change introduced following the consultation process.

Part IV of the order contains the miscellaneous provisions and deals with standard items such as enforcement, summary prosecutions, penalties and forfeitures and regulations, orders and notices. The level of penalties emphasises the gravity with which any breach of the laws on wildlife is and should be regarded.

I am confident that hon. Members will welcome this order as a necessary measure to protect the wildlife heritage of Northern Ireland. It places Northern Ireland on at least an equal footing with the rest of the United Kingdom and gives us a comprehensive code that will meet the requirements of various international agreements to which the United Kingdom is party.

I commend the order to the House.

Mr. Stuart Bell (Middlesbrough): I commend the Minister on taking us so carefully and succinctly through the order. Hon. Members who represent Northern Ireland constituencies will be as anxious as I am to ensure that provisions which offer protection to additional fauna and flora should be the same in Northern Ireland as they are on the mainland.

The positive aspect of this order is that while it is somewhat overdue — the bird section, for example, should have been in force by April 1983 to comply with the EEC directive on the conservation of wild birds—it offers protection to fauna and flora that were previously unprotected in Northern Ireland.

As the Under-Secretary said, the order brings us into line with our international obligations. Though it is sometimes overlooked, if not forgotten, these apply as much to Northern Ireland as they do to the mainland. Some of these obligations are imposed on us by the EEC, and we are dealing tonight with one such obligation which arises from the application of article 4 of the European directive to which I referred.

Those who take a strong interest in these matters in Northern Ireland are broadly satisfied with the provisions for the protection of the species. Their concern, however, is that the provisions should be fully implemented and that the powers, such as those which exist in article 4(10) to

[Mr. Stuart Bell]

enable Northern Ireland to join in the special protection measures for, for example, quarry species in cold weather —measures which are currently in force in Great Britain —will not be weakened by any lack of resolve on the part of the Department of the Environment in Northern Ireland. We join the Minister in commending the order to the House.

12.10 am

Rev. Martin Smyth (Belfast, South): I give a general welcome to the order and share the opinion of the hon. Member for Middlesbrough (Mr. Bell) that we should appreciate the manner in which the Minister presented it. The Minister talked about the need to preserve wildlife because it may be in peril. I am happy that a similar order was not in force at the time of Patrick, who is alleged to have cleared the snakes out of Ireland. Many of us would like him back with us.

The Assembly has recommended that action should be taken to preserve the Irish hare. I do not think that that was a nationalistic or a Unionist ploy; I believe that the recommendation reflected the concern of the people of Northern Ireland.

The Minister has assured me in a letter that action would be taken on what he described as a "running sore" in Northern Ireland, which is the live coursing at Crebilly. In the Minister's response to the concerns of the people of Northern Ireland, we were told that it was not intended to legislate for the protection of the Irish hare as that came under gaming legislation. However, the hope was expressed that something would be done as soon as possible. Can the Minister say when such a measure might be brought before us? If there was a sense of urgency in bringing the order before the House because of the European directive, there should be an equal sense of urgency to respond to the will of the majority of the Ulster people on an evil form of sport of which few have spoken in support, irrespective of class, politics or creed.

12.13 am

Mr. Peter Robinson (Belfast, East): This is perhaps the first time that I have approached this subject in the House, but I have dealt with it for many hours in another place in Northern Ireland. During that process I have been struck by the widespread interest in it, which I, as a public representative, had not detected was so deeply held in the community. For that reason, I welcome the substance of the orders, which include provisions that will protect the flora and fauna and our wildlife. These are matters of primary interest to the people of Northern Ireland. They are interested especially in the conservation of wildlife.

The substance of my remarks is one of welcome, so it is unfortunate that any cloud should appear in the sky, especially a grey one, in taking up the remarks of the hon. Member for Belfast, South (Rev. Martin Smyth) on the practice of enclosed live park hare coursing in Northern Ireland.

Those in this place who do not represent Northern Ireland constituencies may think that hare coursing is hare coursing whether it is in Great Britain, Northern Ireland or even the Republic of Ireland. It is not the same throughout the United Kingdom. Hon. Members should be aware of what park hare coursing in Northern Ireland really is. In Great Britain—I do not argue the merits of hare coursing there — the rules allow a hare an opportunity to escape that is not availabe to a hare in Northern Ireland. If a hare in Northern Ireland escapes once, it is recycled and again put through the process. If it escapes the next time, it is recycled and put through the process once more.

I have protested at Crebilly, so I can tell the House about the procedures adopted. The hare does not have a great opportunity to escape. It is given a relatively short start with the hounds following on after it. The hounds can follow the hare into the enclosure and corner it in a smaller and more confined space. The stewards are simply in the area to kick the hare to death rather than see it torn to pieces by the dogs. That is park hare coursing Northern Ireland style. It is more barbaric, cruel and evil than the style practised in the rest of the United Kingdom.

With that background in mind, the Assembly would have considered the proposal for a draft order and the section dealing with the prohibition of certain methods of killing or taking wild animals. It would be appropriate to include a proscription of the use of enclosed park hare coursing.

The political parties in Northern Ireland did not line up with the Unionists on one side of the argument and the Nationalists on the other or with Protestants and Roman Catholics on different sides. There was a degree of agreement that the Minister might like to see in other subjects. With a great deal of agreement, the Members of the Assembly accepted the argument and recommendations presented by the Environment Committee that there should be a ban on enclosed park hare coursing. The Assembly's view was not out of tune with what the people in the country as a whole felt. There was widespread worry about the practice of hare coursing and widespread approval for the Assembly's recommendations.

I support the principle that Northern Ireland politicians should have a role to play in their own affairs. The Assembly has been useful in that it has a scrutinising role and has enabled us to put a bridle on hitherto unaccountable direct rule. The confidence of many people was shaken when they noticed that a proposal which had such widespread acceptance was treated so cavalierly by the Minister's Department. I should have thought that a Tory Minister would have had an excellent opportunity to agree with a proposal that would not cost anything, financially at least.

Some people in Northern Ireland are less generous than I am. If you, Mr. Deputy Speaker, had been in that other place, you might have been alarmed at some of the comments made. One Member said:

"The Minister responsible for this decision is either very stupid, very ignorant, or downright deceitful".

He allowed the Minister some grace, because he said:

"the latter is the most likely".

Although a constituent might forgive a politician for being deceitful, he could not forgive him for being stupid or ignorant. I do not believe that any of those three descriptions applies. I have noticed over and over that when the subject of park hare coursing has arisen in Northern Ireland, something always stops action. I do not know whether there is an over-abundance of tweedy sorts in the Department of the Environment. Whatever it is, something does not allow the Department to think in the same terms as the majority of the people and elected representatives in Northern Ireland. I wonder whether the Minister can support that activity. When he responded to

the Assembly, he said that there were reasons for not accepting such a ban. He said that the Irish Coursing Club had decided to change its rules and that, with self-regulation, the Assembly might achieve what it sought better than by legislation.

I am not convinced that those who practise barbarity are the best people to regulate it, nor am I convinced that those people who only change the rules when under pressure are likely to keep them when the pressure appears to be off. With self-regulation, they could regulate the rules back to what they were. What is to stop a group that is not affiliated to the Irish Coursing Club from having a meeting similar to Crebilly before self-regulation?

Hon. Members should know what the great changes in the rules at Crebilly are that encouraged the Minister not to go ahead with a ban on park hare coursing. The first change was an increase in the number of stewards who would attend the meeting. I am sure that the hare was impressed by the fact that there would be more stewards to kick it to death when the hounds caught it. If it was not impressed, it would feel the same as Members of the Assembly, who were equally unimpressed.

The other great move was to give the hare a few yards extra start. It would be able to go a few more yards up the course before the hounds killed it. I am sure that the hare was impressed that under the new regulation it would have an extra couple of seconds to live.

The third change in the regulations was that the promoters of the event would clip the ears of the hares that survived after they had gone through the course, so that they could be released within 48 hours of the completion of the event. Neither the Minister nor the ICC has said who will referee such a procedure. The ICC's reaction to the RSPCA's previous request to watch the hares being let into the wild after the events was strange. I suspect that if the ICC is still reluctant to allow supervison of its activities, self-regulation is meaningless.

The Minister has been so impressed by the ICC's generosity in making those three major concessions that he does not feel it necessary to impose a ban. I say that, but I do him an injustice, because in a letter to me he says that he has decided

"for the present not to introduce separate legislation."

I seek some clarification from the Minister. He will be aware that the coursing club's rule 13 states:

"points are awarded during the course to hounds which do the most to kill the hare."

I am sure that the rules for hare coursing in Northern Ireland are different from those followed in Great Britain. As that rule has not been amended, how long does the Minister intend to allow the review of the ICC's self-regulation to continue before he is prepared to say whether it meets the criterion that he set down when he felt that self-regulation would meet the Assembly's request?

I urge the Minister to say that if the self-regulation does not meet his requirements for hare coursing in Northern Ireland and does not bring it closely into line with hare coursing as practised in Great Britain, he will introduce legislation to ban that barbaric and evil practice in Northern Ireland.

I end as I began, by giving a general welcome at least to that part of the order which appeared at the end of the day. It provides overall a better balance between the interests and responsibilities of the different users of the countryside. But in welcoming the order, I urge the Minister to consider legislation.

12.25 am

Mr. Stephen Ross (Isle of Wight): As one who sat through the Committee stage of the Wildlife and Countryside Bill, and moved an amendment that the Bill should apply to Northern Ireland, I welcome the order.

Anyone who saw the film on BBC television on Sunday night will appreciate how rich and varied is the wildlife of Ireland, both north and south. It was marvellous to see red squirrels — there are not many left in Britain, but we have them in the Isle of Wight — as well as pine martens, hares, otters, peregrine falcons, chuffs, bitterns, and even the corncrake, which I think now exists only in the Western Isles. Long may they survive.

Under article 4(10), the Minister is enabled to introduce special protection measures for quarry species, particularly in cold weather. I believe that art this moment his colleagues in the Department of the Environment are thinking of banning wildfowling in Britain because of the prolonged cold weather that we are experiencing. May something similar be considered for Northern Ireland if the cold spell continues for any length of time? The weather may not be as severe in Northern Ireland; others will be able to tell me whether it is or not. But if there is to be a prolonged period of cold weather, that article should be implemented.

I am sorry to see that the curlew and the scaup can be hunted in Northern Ireland, because they are protected in Britain. We had an argument about curlew in Committee on the Wildlife and Countryside Bill. Perhaps the scaup might have been included in the order; I am sorry that it was not. However, I welcome the order and hope that it will be implemented speedily.

12.29 am

Mr. William Ross (Londonderry, East): I was glad to hear the hon. Member for Isle of Wight (Mr. Ross) refer to an amendment that he moved in Committee on the Wildlife and Countryside Bill. If it had been carried, we should not have had to sit here until 3 am. No doubt many hon. Members on the Government Benches would have been even more pleased if that Liberal amendment had been carried.

The order deals with an enormous number of matters. The hon. Member for Belfast, East (Mr. Robinson) concentrated on one aspect of the order; indeed, that has been the hallmark of the examination of the order. Article 4(10) says that a person who

"takes or destroys an egg of any wild bird . . . shall be guilty of an offence."

Most wild birds' nests are destroyed or interfered with by children—often relatively small children—who go bird-nesting. The practice is not as common now as it was when I was a child, but certainly in regard to small birds that is where the real problem lies.

I suggest that the Minister could approach the education authorities to see what could be done through the schools to relieve pressure on nesting birds from children. If we do not start the process of education when children are young, we shall never get anywhere in that respect.

Mr. Roy Beggs (Antrim, East): Will my hon. Friend agree with me that, because of the importance of conveying the contents of the order to schoolchildren, copies should be made readily available to them? We are dependent on the help of teachers in encouraging children to be thoughtful with regard to wildlife. Indeed, we are

[Mr. Roy Beggs]

very much indebted to organisations such as the Royal Society for the Protection of Birds for the work they do and the literature they circulate.

Mr. Ross: I agree with my hon. Friend. I do not see any reason why the Department of Education and Science should not make material available to schools.

There is an enabling power to restrict shooting in hard weather. I assume that normally any such restriction would apply to the entire Province, yet it is not unknown for the Province to benefit, with regard to game and wildfowl, when there is hard weather in Great Britain or elsewhere in the island of Ireland. I am curious as to whether the Government are thinking of putting a blanket ban on the entire Province, or only on parts of it that might from time to time be affected by hard weather, when the rest of the Province would be clear and shooting could be permitted there. I should be obliged if the Minister told us what the Government's thinking is on that issue.

In article 6 of the order one reads about the means of killing or taking wild birds that are banned. Later it refers to wild animals. One thing that has concerned me very much is the banning of the automatic shotgun. I have not been able to understand why that should be so. I believe that the measure results purely from the EEC directive. I should be greatly obliged if the Minister could give us the benefit of the Government's thinking when they accepted that restriction. There is nothing wrong with an automatic shotgun. My experience, as a user of one, which I fear none of the members of the Assembly Committee are, is that whenever one fires a gun at any target, and misses two shots, one does not waste ammunition firing a third shot because the target is far out of range by that time. In the control of vermin and ferreting rabbits, the automatic shotgun has tremendous advantages over the standard double-barrelled shotgun. I cannot understand why the Government have been so willing to accept that demand from the EEC.

The Minister will appreciate the difficulties, especially in Northern Ireland, when an individual wants to get a second shotgun, and the police are most unwilling to grant a firearms certificate for that weapon. Therefore, the individual who owns an automatic shotgun may be prohibited when the order comes into operation from using that firearm in the taking of wildlife or game, and may find that not only has its market value diminished but that he is incapable of holding it and a second gun. Perhaps the Minister will have a word with the chief constable and his right hon. Friend the Secretary of State about the matter when he is confronted with applications for a second gun.

I also notice that a shotgun that has an internal barrel diameter of more than 1¾ in. is banned. Perhaps the Minister will tell us what bore of shotgun that represents because elsewhere in the order we find references to the size of shot, the bore and so on. Instead of using the same measurements throughout, we seem to hop from one measurement to the other, which is confusing.

The order also refers to the prohibition of

"any device for illuminating a target or any sighting device for night shooting".

It may not be known to the House, but several different gadgets can be used for shooting. There is the image intensifier, used by the Army, which is a highly sophisticated piece of equipment and extremely unlikely to be available to sportsmen. There are things such as the red spot that appears on the target when one has the device mounted on the gun. When one puts the gun to one's shoulder, once the red spot appears on the target, one knows that one is on it. Is that banned? There is also the extremely simple device for shooting duck in the late evening of putting a piece of white paper on the muzzle of the gun so that one can see it. I have used that device and am curious to know whether it would be banned. I wonder whether anyone asked the Minister those questions before, and whether any practical shooting men talked to him about what it is like on the ground when one is trying to bring down game in bad light conditions.

I am also concerned about the release of wild birds to be shot or to be pursued by birds of prey. The Minister has cleared my mind because I was worried that that practice was taking place in Northern Ireland, but has he any evidence that in any place in Northern Ireland or Great Britain the shooting of live birds in place of clay pigeons is still practised? If so, I should be surprised and shocked to hear it because I thought that it died out a long time ago, and I would not like to think that it had been revived.

Another matter that concerned a great many people was the use of the self-locking snare. A great many people have said a great deal about the cruelty of this device. Having listened to the views of a large number of people, and having seen the snare in use, I remain unconvinced by the arguments for banning it. Any snare that is properly set should catch and kill its quarry. The soft, brass-coloured wire used for rabbit snares would tighten up and have much the same effect as a self-locking snare. If the snare is properly used there should be no problems. We are really seeking to legislate not for responsible, able users but for the cowboys and we shall not stop the people like that by legislation unless the most extreme steps are taken to enforce it. I cannot see the necessary money and effort being put into enforcement to deal with the problem effectively, so I remain unconvinced by the arguments and I am unlikely to be convinced unless much stronger evidence appears.

The reference to the taking of animals through the use of gases and poisons is clearly directed at the use of cymag. Anyone who lives in the country knows how widely that powder is misused and the problems that it causes, especially for fish stocks, and I hope that serious steps will be taken to stop it getting into the wrong hands. This has been a matter of concern for many years to everyone who cares about wildlife. Yet the poacher still goes on his merry way, apparently getting away with it.

The provision about the purchase and sale of parts of animals is presumably intended to stop the purchase and sale of fox skins and I note that the fox appears in one of the schedules as an animal that may not be sold. I was not aware that the fox was in any danger of extinction in Northern Ireland. Indeed, the place sometimes seems to be overrun with them. Until recently there was a bounty on foxes and large numbers have undoubtedly been taken by various means and skinned. Yet there still seem to be quite a large number of them trotting around, causing a great deal of damage.

There is practically no fox hunting of the type practised in England. Foxes in Ireland generally are killed by trapping and shooting or gassing and they will go on being killed. All that is being done here is to remove an incentive

to hunt them down. At the end of the day, there is no danger to the number of these animals in Northern Ireland, so I see no justification for the provision.

I was astonished to learn that primroses are to be protected. If there is one plant in Northern Ireland that does not need protecting, I should have thought it was primroses. Such a provision seems to me quite ridiculous.

Mr. Chris Patten: From my experience, one group of people from whom primroses may need to be protected in Northern Ireland is visitors from Great Britain.

Mr. Ross: Let us hope that the tourist trade benefits when they come and pick them. My experience of primroses is that they are rather too early in the season for most tourists anyway. What is the policeman going to say when he meets the five-year-old child coming up the road with a bunch of primroses for his mother, a child who would be breaking the law by picking a perfectly common flower? I think that the measure is quite unnecessary.

Article 15 is a useful and interesting one, and has not up to now received the attention that it deserves. It relates to the prohibition of the introduction of new plants and animals. The Minister mentioned two of these — grey squirrels and mink. This article is excellent so far as it goes, but there is not one word anywhere in the order about the responsibility of any person or any public authority to remedy the current situation. In the light of that, I think it is just empty words. If the Government intend to say that we must not introduce things that are harmful, they should be trying to get rid of the existing harmful species instead of allowing them to run round causing the damage that has resulted in Northern Ireland over many years.

Article 20 deals with regulations to cover smooth bore shotguns and so on. Could the Minister translate that into layman's terms? Could he tell the House what shot size is represented by the figures that are referred to and what sort of rifle calibre he is referring to? Is he really saying that instead of a ·236 or 6 mm the Government will accept only a rifle of ·240 calibre and a ball for the taking of deer? That is my understanding of the provision. The people in Northern Ireland who engage in these such activities need to know the exact position in layman's terms.

Article 28 provides for a number of wide powers. In my view, the Government, in exercising those powers, would be enforcing orders which would have no parliamentary sanction whatsoever. I hope that the Minister will say whether I am correct in my assumption and, if so that he will make some effort to ensure that parliamentary procedure exists before the orders come into force.

I welcome particularly the deer protection aspect of the order. Will a game licence be needed by a person going to shoot deer in Northern Ireland? That is not clear from what has so far been said.

On hare coursing, can the Minister say how these hares are captured? I assume that they do not grow on trees but that somebody has to go out and catch them. How are they caught, where are they caught and who has the shooting rights on the land from which the hares are taken? If the source of the hares could be restricted, many of the problems mentioned might disappear. During the Assembly's investigation, a number of people remarked that hares were an endangered species, or to some extent under threat. I recall clearly that before myxomatosis hit the rabbit population, hares were unknown in the lowlands in Northern Ireland except in a rare place like Nutts Corner airport.

Whenever the rabbits had been nearly wiped out, within two or three years the hares would appear in large numbers all over Northern Ireland. They stopped being an animal of the hill and the open moor. The explanation given at the time was that the male rabbits tended to kill the leverets in the first few days of their life. It was noticeable that, as soon as the rabbit population recovered, the hares in the lowlands diminished in number and eventually vanished. If the explanation was correct, the Minister should try to find out the size of the hare population in the hills today, and what it was before the rabbit population crashed. That might give us an idea of the abundance of hares today compared with past years. I do not believe that the hare is in as much danger as some people believe.

Mr. Peter Robinson: Perhaps the hon. Gentleman could clarify his reference to the number of hares? Because the number of hares may be greater than was suggested by some members of the Assembly, would it be right to treat them in the manner in which they are treated at Clibelly?

Mr. Ross: The hon. Gentleman misunderstands me. I was not referring to anything said by any member of the Assembly Committee. I was referring to what was said by those who gave evidence to that Committee. At least two or three of them expressed that view. I would not want anyone to believe that the Irish hare is vanishing from the face of the earth. I do not believe it is. I believe that the population of hares rises and diminishes naturally, and not always in the same place. It is noticeable to any shooting man that there has been a vast change. Hares are now found in a more restricted area than they were a few years ago, and I wonder whether that fact has been taken into account by those who fear for the future of the species.

This important order is, in the main, to be welcomed. I have mentioned two or three points that I am concerned about — two or three Government decisions that puzzle me — and I hope that it will be possible for them to be reconsidered at a later stage.

12.47 am

Sir John Farr (Harborough): I do not know whether the order is the right vehicle for a discussion of hare coursing, but I am sure that no hon. Member would support any sport in the United Kingdom in which the quarry was not given a fair chance of escape — whether coursing, shooting, fishing or hunting. The quarry must have a fair chance of escape if a sport is to be worthy of support in a civilised society.

Part III of the order relates to deer. Why has my hon. Friend not followed the useful precedent established in England and Wales with the Deer Act 1980 and in Scotland with an order of last December? Both the Act and the order gave deer of all species much more watertight protection.

I realise that the House would not wish superfluous additions to be made to an order that is already long, but both the Deer Act and the Scottish order gave much greater protection to the deer in relation to the disposal of the carcases. A schedule was incorporated in the venison register which all dealers in venison in England and Wales, and in Scotland, have to keep. The register must be kept, the columns must be filled in and it must be available for inspection for at least three years. Two years' operation of that scheme in England and Wales has proved

[Sir John Farr]

of great benefit to the police and the authorities in curtailing deer poaching and in tracking down poached carcases of venison. I am surprised and disappointed that it is missing from part III of the order.

The hon. Member for Isle of Wight (Mr. Ross) and I shared the enjoyment of the Committee stage of the Wildlife and Countryside Bill. What he said about harsh weather is important. Provision should be made for it in the order. As from today, we have imposed a harsh weather ban on wildfowl, woodcock for a start. The order should enable the Minister to make a direction, when, as recently, there have been a couple of weeks of harsh weather, to ban or curtail the shooting of all forms of quarry that are under threat because of that harsh weather.

Having made those remarks, I welcome the order.

12.50 am

Mr. A. Cecil Walker (Belfast, North): I am a dedicated conservationist, especially with regard to the protection of all forms of wildlife, whether indigenous or visiting during migration.

In my younger days I was interested in sport shooting. I have given it up, not because I am a bit long in the tooth to by lying in wet ditches in the middle of winter or out in the mud flats of Strangford lough waiting for the morning flight, but because I feel that, with the drastic changes that have occurred in our environment, our wildlife is under more pressure for day-to-day existence. It needs all the help that it can get. That is why I give a generous welcome to the Government's efforts, through the order, which is an honest attempt to protect our wildlife from the human species.

I am especially pleased to see that article 6(1)*(c)* (iv) provides that it will now be an offence to use

"any shotgun of which the barrel has an internal diameter at the muzzle of more than one and three-quarter inches".

I remember such cannons being used on the shores of Belfast and Strangford loughs. They were mounted on what were known as duck punts, which were camouflaged to look like a piece of floating debris. They were manned by two people, who were usually lying down. They were always used during the hours of darkness. Moonlit nights were especially favoured because the quarry, the migratory flocks of ducks and geese, was more easily recognised then. One of the hunters quietly paddled the punt until he was among his victims and then the other one blasted off with this diabolical instrument of death and destruction. It was common to kill or maim upward of 20 to 30 birds with one shot. In the light, one could see many of them flapping about in the water, condemned to a lingering death if not retrieved and put out of their agony.

I am also pleased that article 6(1)*(e)* makes it an offence to use

"any mechanically propelled vehicle in immediate pursuit of a wild bird for the purpose of killing or taking that bird".

The prohibition extends to animals. I have seen fast planing boats manned by trigger happy so-called sportsmen running down on all types of sea birds. The swiftest birds might get out of range, but the diving species invariably fall victim as they have not the speed to get into the air. They are therefore slaughtered on the surface as soon as they exhaust themselves. I have seen the same tactics employed in seal hunting. Although many fishermen would say that seals are a legitimate target, the cruel killing of them by such methods must be condemned.

In article 12(1)*(a)* there is reference to "self-locking snares". Here I might have to take issue with my hon. Friend the Member for Londonderry, East (Mr. Ross). I maintain that all snares can be self-locking; when the animal is caught, its struggles invariably cause a locking effect. If such snares killed the animals they trapped, as can happen when rabbits hit them hard, I would not be so concerned; but when the animal is caught by the neck, body or hind leg, it must suffer. The real cruelty occurs when the setter of the snares leaves them for several days before he inspects them. Many of his victims may be domestic animals. I have heard of instances where dogs, sheep and even cattle have been caught and severely injured in snares which were meant for foxes.

I would like to have seen a provision in the order for duly appointed wardens to be able to enforce the various prohibitions. In several instances culprits who were observed by wardens blatantly breaking the wildlife laws were not apprehended because the wardens did not have the necessary authority. It must be recognised in this connection that our police force cannot be everywhere at one time.

12.56 am

Mr. J. Enoch Powell (South Down): The Minister has already taken on board a heavy cargo, perhaps more than he can cope with conveniently in his winding-up speech, contributed to not least in an expert fashion by my hon. Friend the Member for Londonderry, East (Mr. Ross) and others. I want to make only one addition to the cargo, of which I hope he will at least acknowledge the importance, namely, the matter of identification.

Most citizens will wish to observe the law as we are making it in this order. To do so, they must be able to identify the species that are protected. With animals, and to a lesser degree birds, there is no problem. Most people are familiar with and can recognise the species of animals that are protected by the order. Even if people are less commonly able to identify all the birds that are named, at any rate the general drift of the prohibitions which the order contains is clear and could be carried in anyone's mind.

There is a different order of difficulty in relation to the flora. Schedule 8, which occupies a page and a quarter, sets out a list of plants of which even those who, without being expert botanists, take an interest in the countryside are mostly unaware. Nor are they much helped by the fact that the popular names, so-called, are occasionally inserted. I found it no assistance to identify moschatel to know that it is also called town hall clock. I have to admit to not knowing what it looks like or whether I am likely to encounter it in my wanderings in the Mourne mountains.

No doubt the Minister, who referred in his opening speech to publicising the contents of the order, has in mind some ways in which this problem can be dealt with. It would be helpful if he could give some indication to the House in his concluding speech of what those are. It is not so easy perhaps to ensure that the only effective method of identification, namely, good and coloured diagrams and illustrations, are readily visible and available.

In some of the areas with which we may be dealing in the next order to come before the House one could, with perhaps not too much risk of falling victim to vandalism, erect a series of pictures of protected flora, as we find of the duck life in St. James's park. I do not have a suggestion

to offer as to how the range of protected flora in schedule 8 can be brought to the knowledge and attention of those who might otherwise be tempted to pick a rather exciting and attractive flower and thus unwittingly break the law.

Having a wife who has a passion for picking primroses, I was at first alarmed by the speech of my hon. Friend the Member for Londonderry, East, but then reassured by my inspection of schedule 8, which informed me that so long as she did not uproot them I did not have to restrain her from breaking the law on her many excursions into the lanes of County Down.

I hope the Minister will realise that the problem to which I have drawn attention is real and practical, and I trust that he and his advisers will address their minds to it.

1 am

Mr. Chris Patten: I am grateful to hon. Members for their thoughtful speeches on this important and valuable order. The hon. Member for Middlesbrough (Mr. Bell), whom we again welcome to these debates, thought that the order might be a trifle overdue. At least we now have it. It is a good, comprehensive piece of legislation.

The hon. Gentleman said that the voluntary bodies in Northern Ireland were broadly in sympathy with the intentions of the order. I am sure that is right. I am equally sure that it is incumbent on officials in the Department of the Environment to show that we are determined to implement the order's provisions fully and vigorously.

The hon. Members for Belfast, South (Rev. Martin Smyth) and for Belfast, East (Mr. Robinson) understandably introduced a slightly more controversial note into our deliberations with a reference to park hare coursing, on which I recognise that passions run high. As I have told both hon. Members previously, the introduction of provisions on park hare coursing would have been a significant change in the policy content of the draft wildlife order and would, under existing legislative conventions, have necessitated further consultation. That would have seriously delayed progress on the order, and that would have been unacceptable in view of the Government's obligations.

Given the content of the speeches on this subject, I should point out that the objections raised by the Northern Ireland Assembly about certain specific rules and practices of park coursing were discussed with the controlling body, the Irish Coursing Club. I am sure that it was an inadvertent mistake on the part of the hon. Member for Belfast, East, but the rule to which he referred stating that points are given for hares being killed was amended several years ago. It would, therefore, be injudicious to rest an argument on that point.

I understand that the Irish Coursing Club has introduced a number of practical changes this season to bring coursing in Northern Ireland more into line with coursing as practised in Great Britain. The Government believe that voluntary action of this sort is the quickest and most fitting response to the objections to park coursing, and that, in view of this development, it would not be appropriate to introduce legislation on the subject.

As the hon. Member for Belfast, East noted, the ICC has introduced a number of changes in park hare coursing, the effect of which, as I have said, is intended to bring park coursing more into line with open coursing as practised on this side of the water.

I have looked closely at the law governing coursing. There is no substantial difference between the state of the law in Northern Ireland and the position in the rest of the United Kingdom. When I was first lobbied on this subject, I was told that what was required was not the banning of hare coursing, but the bringing of the practice of coursing in Northern Ireland as far as possible into line with the practice in Great Britain. I was also told — which I dispute — that there is a substantial difference in the legal framework in Northern Ireland compared with Great Britain. Allowing for the differences dictated by topography, the ICC sought to bring it into line.

If hon. Members want to move further and faster and ban all coursing, they should use private Members' legislation, on which they have a free vote. It is nonsense to suggest that that route is not open in connection with Northern Ireland. For example, the Video Recordings Act, introduced as a private Member's Bill, is now the law and applies to the whole of the United Kingdom.

It would not be appropriate to use the order to try to ban park coursing. Since there is no difference between the legal position in Northern Ireland and Great Britain—certainly hares in Northern Ireland are at no legal disadvantage—it would not make sense to depart from our normal procedures.

Mr. Peter Robinson: Like the hares in Northern Ireland, I am thankful that they are not at a legal disadvantage, but they are dying because of the so-called sport which the Minister believes can be rectified only by a private Member's conscience. If the ICC's regulations do not have the required effect, is the Minister prepared to bring in the necessary legislative change instead of leaving it to hon. Members to pray and hope that they might have that opportunity?

Mr. Patten: For reasons which might not always be obscure, I retain the most profound antipathy to answering hypothetical questions. I repeat that when I was first lobbied by the hon. Gentleman and others on the issue, I was told to bring Northern Ireland into line with the practice on this side of the water. It is curious, but not surprising, that the argument has been changed — perhaps for understandable reasons—but my answer has to remain the same.

The hon. Member for Isle of Wight (Mr. Ross) referred to article 4(10). My hon. Friend the Member for Harborough (Sir J. Farr) has great knowledge of the subject, and we welcome his contribution. That paragraph makes it possible to protect quarry species during what would normally be the open season whenever exceptional circumstances justify it—for example, in the event of oil pollution of inclement weather, such as we are having now.

I must tell the hon. Member for Isle of Wight that we can encourage a voluntary ban on wildfowling even before the legislation comes into force, as we did successfully in 1981. We were grateful to the parties to that agreement.

I can tell the hon. Member for Londonderry, East (Mr. Ross) that a ban can be applied to small areas of the Province as well as to the entire Province. That takes account of his practical and accurate observation about weather conditions in the Province.

The hon. Member for Isle of Wight referred to the curlew. He and other's, including my hon. Friend the Member for Harborough, will recall that the curlew

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achieved complete protection as the result of an eleventh hour change to the Wildlife and Countryside Act by means of a Lords amendment. The species is more widespread and abundant in winter in Northern Ireland than it is in Britain. There is a tradition of shooting curlew—mainly inland birds, of which there are a large number in Northern Ireland—for food. However, there is no evidence that the species is suffering as a result of shooting, no doubt because the shooting of waders generally is infrequently practised by wildfowlers. The list of birds that may be shot during an open season has been substantially reduced. In the absence of compelling reasons, the curlew's status as a quarry species remains unchanged. That is obviously a position that we shall need to keep under review.

The hon. Member for Londonderry, East spoke quite properly of the importance of teaching children about conservation and wildlife. I wholly accept that. It is our intention to take a much more active role educationally, and we shall be distributing to all schools literature on this order and on the one that we shall be discussing shortly.

The hon. Gentleman asked about automatic shotguns. He was right in thinking that the ban on birds results from the EEC directive. He will probably know that automatic shotguns can still be used for controlling pests and that the ban applies only to those birds and animals listed in schedule 6. The hon. Gentleman explained the practical experience of a shooting man and asked whether there was any evidence of birds being shot after liberation. I can say that there is no such evidence of that happening in Northern Ireland. It is spreading in Europe and we do not wish to see it happening in Northern Ireland.

The hon. Gentleman asked about self-locking snares. I would have had a great deal more sympathy with his argument had he been talking about free-running snares. I share the view expressed by the hon. Member for Belfast, North (Mr. Walker), that self-locking snares are banned under the EEC wild birds directive.

Mr. William Ross: Can the hon. Gentleman tell me how many times he has actually set a snare?

Mr. Patten: I assume that the hon. Gentleman was being literal rather than figurative. I have not made it a practice to set snares. I appreciate that sometimes one is called upon to speak at the Dispatch Box on subjects of which one does not always have such an intimate knowledge as some hon. Members. This is clearly one such occasion in regard to snares, about which the hon. Gentleman knows more than I do. I can only say that I received a number of representations about that subject. It may be that views differ, but the overwhelming view agreed with the hon. Member for Belfast, North.

The hon. Member for Londonderry, East asked about article 15. I was interested to hear what he had to say. With the best will in the world, it is not possible for the Government to eradicate the existing species because of their widespread distribution. We are talking not only about animals, but, as anyone who knows and loves Strangford lough will know, about Spartina. The order is designed to prevent the spread of the undesirable species. I hope that we can do that.

My hon. Friend the Member for Harborough spoke from his great love and knowledge of deer. Venison in Northern Ireland can be sold only to a licensed game dealer. I shall write to my hon. Friend giving details of the licensing conditions applicable to game dealers.

The hon. Member for Belfast, North made a powerful argument for conservation. He thought that the wardens, among others, should be given more extensive powers. I am bound to say that I have great personal reluctance towards extending police powers to those outside the constabulary. That is why I resisted arguments from a number of sources to do that in this order.

The right hon. Member for South Down (Mr. Powell) spoke of the importance of being able to identify those species which are referred to in schedule 8. That is a substantial point, of which we shall have to consider how best to take account in our publicity and explanatory booklet that we shall be issuing about the order. I hope that we shall be able to satisfy him that we have done all that we reasonably can to identify the species, some of which, I fancy, are not familiar to either of us.

The right hon. Gentleman spoke of the primrose. He is right to say that the danger is the uprooting or tearing out of primroses which sometimes happens when people want to enhance the quality of their gardens, but at the expense of the countryside. That is why we have included the primrose in the schedule. On that Primrose League point, I commend the order to the House.

Question put and agreed to.

Resolved,

That the draft Wildlife (Northern Ireland) Order 1984, which was laid before this House on 22nd November, be approved.

Nature Conservation (Northern Ireland)

1.16 am

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Chris Patten): I beg to move,

That the draft Nature Conservation and Amenity Lands (Northern Ireland) Order 1984, which was laid before this House on 22nd November, be approved.

In November 1983, the proposal for a draft Nature Conservation and Amenity Lands (Northern Ireland) Order was published for consultation. Comments were received up to 3 February 1984 and the proposal was considered by the Northern Ireland Assembly, which forwarded its report to the Secretary of State on 28 March last year. The Assembly welcomed the legislation and put forward 20 recommendations for amendment, together with 13 further recommendations seeking assurances largely relating to the implementation of certain aspects of the legislation. Eleven of the suggested amendments are included in the draft order and a number of the other recommendations are covered in substance by the provisions of the order as at present drafted.

I shall refer in due course to the more substantive changes resulting both from the consultation process and from consideration by the Northern Ireland Assembly, but I wish first to thank the hon. Member for Belfast, East (Mr. Robinson) for the contribution that he made to the order.

The Amenity Lands Act (Northern Ireland) 1965, which this order will supersede, is at present the cornerstone of legislation on nature conservation and countryside amenity in Northern Ireland. It was the first piece of legislation of its kind when enacted 20 years ago. In that time notable progress has been made with a planned programme of establishing nature reserves, areas of scientific interest and amenity areas. Several areas of outstanding natural beauty have also been designated.

However, the increasing pressures on the countryside from competing forms of land use and experience arising from the Act's operation over almost two decades have shown the limitations in its framework; amendments are now clearly necessary. These are incorporated in the measure, along with a necessary and perhaps overdue consolidation of the 1965 Act.

The order will bring Northern Ireland broadly into line with the rest of the United Kingdom in matters of countryside, recreation and amenity. It is not possible to do so precisely, because planning control is exercised differently in Northern Ireland. In addition, the executive responsibility in Great Britain for nature conservation and countryside recreation lies with two semi-autonomous bodies, the Nature Conservancy Council and the Countryside Commission. In Northern Ireland that function rests with the Department of the Environment.

However, the new provisions in the draft order draw heavily on Great Britain sources, specifically the Nature Conservancy Council Act 1973, the Countryside Act 1968, the National Parks and Access to the Countryside Act 1949 and the Wildlife and Countryside Act 1981.

It is appropriate at this stage to mention that the publication of the proposal for a draft order prompted a debate on the question whether the existing administrative structure for conservation in Northern Ireland is the most appropriate or whether it could be improved by the establishment of a body, or bodies, on the lines of the Nature Conservancy Council and the Countryside Commission. As a result of the interest in this matter, the Department of the Environment of Northern Ireland is currently reviewing the existing structure. It has been assisted by a distinguished and independent expert in this sphere, Dr. Jean Balfour, whose report was published just before Christmas.

The Northern Ireland Assembly, among others, feels that there is considerable merit in the concept of a separate body for conservation in the Province. However, recognising the need for full public consultation following the review, and the desirability of bringing into effect at an early date the many improvements which the proposed order and the related wildlife order would introduce, the Assembly supported the order subject to the recommendations contained in its report. Any necessary alterations to the structure for conservation in Northern Ireland will therefore be the subject of a further Order in Council in due course. I am sure that we were right to proceed rapidly with this legislation and to consider the matter of structure at a more deliberate pace.

The existing functions of the Department in relation to nature conservation and countryside amenity are narrow. They are limited to the acquisition of lands for nature reserve and amenity purposes and the designation of national parks, areas of scientific interest and areas of outstanding natural beauty. These powers are restated in the order, but article 3 will enable the Department in future to exercise a wider range of nature conservation and countryside functions, similar to those administered by the Nature Conservancy Council and the Countryside Commission.

Article 4 recognises the land use demands of public bodies and requires that such groups, which include Government Departments, district councils and other statutory bodies, should take into account the requirements of nature conservation and countryside amenity in the exercise of their land-related functions. This has a direct analogue in section 11 of the Countryside Act 1968 and reflects an acceptance that the demands of nature conservation and countryside amenity should have the same consideration as other forms of land use planning.

Article 5 establishes a new conservation committee, the committee for nature conservation. It will assume the responsibilities of the existing nature reserve and wild birds advisory committees and will have certain additional functions under this order and also in relation to wildlife protection.

Parts III and IV are mainly consolidation and restate the Department's existing role in relation to amenity lands, national parks and areas of outstanding natural beauty. Consultation requirements in relation to the latter have, however, been considerably widened and fresh powers have been given to the Department to enable it to take more positive action towards the conservation of such areas.

In Part V, article 20 introduces the totally new concept of marine nature reserves and in that respect corresponds to section 36 of the Wildlife and Countryside Act 1981.

The case for establishing statutorily protected marine nature reserves was made at considerable length in the 1979 joint Nature Conservancy Council — Natural Environment Research Council publication, entitled "Nature Conservation in the Marine Environment". It made the point that some of the primary objectives of

[Mr. Chris Patten]

conservation policy on land have been to conserve representative examples of plant and animal communities, to safeguard sites where research and experiment can be pursued without disturbance and to provide education facilities. It is illogical that such an approach should end at the low water mark, especially in view of the interdependence of marine and land-based life. Procedural instructions to designate marine nature reserves are precise and all power to create a reserve and to confirm byelaws regarding it will be vested in the Secretary of State for Northern Ireland.

For the first time, district councils are to be given the power to establish nature reserves within their areas and to acquire land for that purpose. It has long been a feature of Great Britain law that local authorities have this power and I look forward to district councils in the Province playing their part in conservation matters.

Part VI deals with areas of special scientific interest and its provisions represent the most substantive change in the proposal for a draft order since it was published for consultation. At that time it was recognised that considerable modification of the Great Britain procedure, found in sections 28 and 29, for example, of the Wildlife and Countryside Act 1981, would be required in order to apply it to the Northern Ireland circumstances, in which, for example, the existence of a single-tier structure with the Northern Ireland Department of the Environment responsible throughout, required a single continuous procedure. It was clear that this was a matter that should be fully debated at the consultation stage. Hence, the proposal merely included a provision equivalent to section 28 of the 1981 Act with the Department at the same time encouraging full discussion of the matter through the circulation of a separate consultation paper to the main interests concerned and to the Northern Ireland Assembly. The provisions now included in the draft order are the result of that consultation. The procedure to be introduced will effectively protect areas of special scientific interest in Northern Ireland and at the same time enable the United Kingdom to comply with the requirements of the Berne convention. Parargraph (1) of article 25 eliminates the "three-month loophole" which has caused so much concern on this side of the water.

Rev. Martin Smyth (Belfast, South): The hon. Gentleman by-passed article 24. What do people believe to be the significant change? When article 14 was debated in the Assembly, the people's response was that it was better for the power to be discretionary than to be mandatory. A change in article 24 which shows that the power is discretionary rather than mandatory has caused concern. That was not on the list of changes noted in the response.

Mr. Patten: I am delighted to deal with that point, because I know that concern has been expressed in some quarters about article 24 as drafted. When redrafting this provision, it was felt that an enabling power similiar to that used for the creation of national parks, areas of outstanding natural beauty, marine nature reserves, and so on would be appropriate, achieving consistency of drafting within the context of the draft order. That decision was taken in the knowledge that the existing permissive powers in the draft order to which I have referred had not been challenged during the consultation process.

Our legislation runs together. The procedures in sections 28 and 29 of the equivalent legislation for Great Britain are mandatory in one section and ultimately permissive in section 29 which refers to the powers of the Secretary of State. The procedures give us a more streamlined and coherent mechanism. Nevertheless, I appreciate the concern expressed, so I shall give hon. Members a firm and unequivocal assurance that my Department will exercise its powers over areas of special scientific interest in a manner consistent with the objectives of these provisions. Scientific criteria for the selection of ASSIs are being prepared corresponding closely to those applied in Great Britain. I shall consider it an unshakeable obligation on my Department to declare as areas of special scientific interest all areas that meet those criteria.

We shall need to legislate again shortly if we are to implement, after a suitable period of consultation, the main recommendations in Dr. Balfour's report. If, at that stage, there are any reservations about the way in which we are implementing article 24, we shall be prepared—this is another firm commitment—to amend this order and to introduce a mandatory provision.

The financial provisions of article 29 widen the Department's existing powers to grant-aid voluntary bodies, which are presently limited to those under the Wild Birds Protection Acts (Northern Ireland) 1931 to 1968, to include any body which has among its objects the conservation of wildlife or of the countryside. This is entirely consistent with the position in Great Britain.

I am confident that the order will provide for the more effective administration of nature conservation and countryside amenity matters for many years ahead, although I accept that we may need shortly to introduce, as I have said already, further complementary legislation when we have all had a chance to form a view on the main recommendations of the Balfour report—sensible as I believe their broad thrust to be. I commend the order to the House.

1.29 am

Mr. Stuart Bell (Middlesbrough): I am grateful again for the manner in which the Minister has taken us through the draft order.

There are two important aspects of the order. One is that it seeks to bring into line, as the Minister said, the nature conservation legislation in Northern Ireland with that in Great Britain. As he pointed out, it goes somewhat further, because it rectifies some of the weaknesses and loopholes that have become apparent in the Wildlife and Countryside Act 1981, and, not for the first time, we see legislation pertaining to Northern Ireland somewhat ahead of its counterpart on the mainland.

The other important aspect is that we meet our international obligations. We meet the obligations placed upon us by the European Community directive on conservation and wildlife and also, as the Minister said, the Berne convention.

The Minister was kind enough to take us through the consultation procedures which went on for about a year. There were therefore extensive consultations. The Northern Ireland Assembly Environment Committee subjected the order to detailed scrutiny. Amendments were made and, in general, the order was welcomed by those who have nature conservation at heart.

Notwithstanding that extensive consultation, one word in the text has been changed and the Minister met head on the point and the problem that that change might have brought about. He referred to consistency of draftsmanship. The word "may" has been placed in article 24, rather than the word "shall". Thus, powers which might have been mandatory have become discretionary. Discretion is always the better part of valour; free will is better than coercion; and thou mayest is better than thou shalt. It was the entire philosophy behind the play by Henrik Ibsen and a novel by John Steinbeck. The play by Ibsen was called "The Lady from the Sea" and the novel by Steinbeck was called "East of Eden". However, in relation to nature conservation and amenity, the change may be regrettable.

As the House is aware, article 24 deals with areas of special scientific interest. On the mainland, as the Minister said, the Nature Conservancy Council has a duty to notify sites which are of special scientific interest. Article 24 declares:

"Where the Department, after consultation with the Committee for Nature Conservation, is satisfied that an area of land is of special scientific interest, by reason of its flora, fauna or geological, physiographical or other features, and accordingly needs to be specially protected, the Department may make a declaration that the area is an area of special scientific interest."

The change in the wording from "shall" to "may" raises a number of issues on which we require elucidation.

Why was the change made after the consultation procedures had been completed? Why were interested parties not informed that the change had been made, but left to discover it only when they read the draft order published and delivered to the Palace of Westminster? Has the change in any way altered the obligation placed upon Her Majesty's Government by the European Community directive? Is the order still in line with the Wildlife and Countryside Act 1981? If it is not, is it proposed to alter the Act to bring it into line with the order?

The Minister has explained why the amendment went into the text unannounced, but has it been before a Standing Committee on Statutory Instruments? If the change was brought to the attention of the Committee, what, if any, were the comments of members of the Committee?

There can be little argument that when the order was originally published—and, indeed, even in accordance with the Amenity Lands Act 1965 for Northern Ireland—the Department of the Environment had a statutory duty to notify land as an area of scientific interest where that land, in its opinion, was required to be protected because of the wealth and richness of both flora and fauna. Now that that duty has become discretionary rather than mandatory, it gives the impression that there is a weakening of the sense of responsibility towards nature conservation in Northern Ireland. Having been brought in without consultation, it creates what the Royal Society for the Protection of Birds describes as

"a very dangerous precedent"

and one which

"undermines the good which has been done to improve the orders during the consultation."

I believe that the Minister's statement will go some way towards modifying that attitude, but, nevertheless, the point should be made.

The reasoning behind the change in the wording is further called into question when Ministers have argued in the past that the notification of land of special scientific interest is simply declaratory of its scientific value, rather than a decision as to its future management, but such designation is also of benefit to the landowner or farmer, for without that designation no information at all is forthcoming on the reasons for the site's value, and no advice can be given on future management. Indeed, no compensation would be available if permission were refused for further changes of land use in such an area.

Notification of some sites and failure to notify others of similar importance—an inevitable outcome of a may or may not policy—will cause confusion and increase rather than reduce concern over those valuable sites. In addition there are appropriate safeguards for the interests of those landowners and occupiers, including compensation where necessary, and those come into play at a later stage if and when there is a development proposal on the table to be considered.

Before leaving the subject I can do no better than quote from the Royal Society for the Protection of Birds, which declared:

"We are at a loss to understand why the wording of article 24(1) has now been changed, and are moreover deeply disturbed by the perplexingly unorthodox way in which the change was introduced — tardily; unannounced; contrary to the expectations of the Northern Ireland Assembly; without consultation with any of the interested parties."

It is hardly surprising, in those circumstances, that the Royal Society for the Protection of Birds pressed for the withdrawal of the order and its resubmission in the form which originally contained the word "shall" rather than the word "may" in article 24(1).

As I mentioned earlier, in some ways the order is ahead of the Wildlife and Countryside Act 1981, for that Act contains a recognised loophole. It became known as the three-month loophole; that is to say, during a three-month consultation period any owner of land subject to such a notification under the Wildlife and Countryside Act 1981 might modify the land if he so wished. That would or might be to the detriment of conservation. In addition, he might do so without sanction. That preoccupied those Ministers responsible for the operation of the Act, and they are prepared to modify it when parliamentary time allows. Indeed, it may be that they will take advantage of the excellent private Member's Bill which my hon. Friend the Member for South Shields (Dr. Clark) proposes to introduce to reform the 1981 Act.

The order is ahead of that Act because of the inclusion of articles 25 and 27. Article 25 prevents the owner or occupier of any land from tampering with it once there has been a declaration, and for so long as that declaration remains in force he cannot carry out, cause or permit to be carried out, on his land any operation or activity without written consent. My hon. Friend the Member for Wentworth (Mr. Hardy) introduced a private Member's Bill to modify the Wildlife and Countryside Act 1981 along the lines now defined by article 25 of the order. His Bill has now been superseded by that of my hon. Friend the Member for South Shields.

Should the Government take on board all the elements of the private Member's Bill of my hon. Friend the Member for South Shields, thus tightening, for example, the laws to prevent badger digging, empowering the Ministry of Agriculture, Fisheries and Food and the Forestry Commission to give Government grants for conservation practices——

Mr. J. Enoch Powell (South Down): What about Northern Ireland?

Mr. Bell: If the right hon. Gentleman is patient, I shall come to the matter to which he refers.

I was saying that should the Government tighten laws, empowering the Ministry and the Forestry Commission to give Government grants for conservation practices and making it easier for the Nature Conservancy Council to declare marine nature reserves, will those changes in the Wildlife and Countryside Act be followed by another order for Northern Ireland?

I should like to draw the attention of the House to article 20. Under the Wildlife and Countryside Act, it was thought desirable that there should be created marine nature reserves. The Minister referred to that in his explanation of the order and said that powers would be vested in the Secretary of State. Yet, because of the system of consultation on this side of the water, no marine nature reserves have been created. Are the provisions in article 20 the same as under the Wildlife and Countryside Act, and, if so, how many marine nature reserves does the Minister expect to be created in Northern Ireland as a result of the legislation?

Over and above the criticism which the Minister has taken on board and sought to assuage, a great deal in the order is welcome. We have seen that the habitat provisions of the order provide the long-awaited strengthening of conservation legislation in Northern Ireland. We are complying with our international obligations. We are witnessing, therefore, a significant stage in the development of conservation in Northern Ireland, and it should be further said that the order constitutes an efficient and practical framework for, to quote the RSPB again, "wise land-use planning and the conservation of natural resources".

However, two questions remain to be answered. Will this order and the Wildlife (Northern Ireland) Order be implemented? The Minister gave an assurance that the latter order would be. Secondly, will the resources be made available so that the orders can be fully implemented? There is an ungenerous suggestion abroad that the reason for the significant word change in article 24 from "shall" to "may" was based on resource considerations; that it would cost less to have a discretionary rather than a mandatory power placed with the Department of the Environment.

I am sure that the Minister would wish to take an early opportunity to refute such a suggestion. Nevertheless, it lingers on in the minds of those who have been involved in the consultative procedures. Any categorical assurances that he can give would be most welcome. They would be even more welcome if the Minister were to confirm that the resources overall will be available to implement the orders. These resources should mean greater staff and greater finance so that the conservation effort in Northern Ireland can be strengthened, rather than simply maintained. A desirable goal would be one where these resources were on a par with those available on the mainland.

We therefore join the Minister in commending the order to the House. We note the statement that he made in relation to the mandatory exercise of the power under section 25. He has offered to change the wording of that article in a future Order in Council if that is the appropriate course of action for him to take. We welcome that suggestion and, as he has done, commend the order to the House.

1.45 am

Mr. Peter Robinson (Belfast, East): I am placed in the same embarrassing situation in which I was placed on the last order: while I naturally welcome the vast majority of recommendations contained in the order, I have one gripe. That flows, perhaps regrettably, from the procedures that are applicable to Northern Ireland business. The Minister will be aware, although the House may not, that while in the case of the last order I concentrated on dealing with what the Minister did not do, he did in fact accept 55 of recommendations of the Assembly.

In the case of this order, of the 33 recommendations of the Assembly, the Minister accepted 29. I leave to one side, perhaps ungenerously, those recommendations which he did accept and shall consider the areas in which we still have some difference of opinion. Nevertheless, I place on record the grateful acknowledgement of most people in the Assembly and in the Province of the contents of the order, which embraces two main themes, the first dealing with the structure of conservation in Northern Ireland and the second dealing with the protection of areas of environmental importance.

On the structure of conservation in Northern Ireland, I take some heart from a comment that the Minister made concerning the report of Dr. Jean Balfour. I have had the opportunity to read that report. I was relieved at the end of doing so because I am holding the ring, as it were, between colleagues in the Assembly and have to part my party leader from certain other colleagues; in other words, considerations of agriculture have been weighed against those of the environment. That Dr. Jean Balfour has steered what I consider to be a fair and balanced middle course helps me out of many difficulties that I might have experienced when the report is debated in the Northern Ireland Assembly.

I trust that, when I put this forward as a personal view, the Minister will accept every letter of it rather than putting it into the melting pot and considering afresh what emerges at the end of the process. I take encouragement from the fact that in relation to article 24 the Minister said that, if there were any reservations when he came to legislate for the structure of conservation, he would take that into consideration. This clearly shows that in his office he is already contemplating legislation for the structure of conservation. I for one would be eager to hear from the Minister at what stage that may be expected. More important, following the comments from the Opposition, does he believe that the resources for that structure can be found within his budget? I appreciate that there is pressure from priority areas such as housing and all too often conservation becomes a scapegoat and is left out when finances are allocated. I hope that the Minister will be able to say that it will be possible to meet the Balfour report in terms of finance.

In my discussions in the Assembly I discovered that the chasm that I had imagined between agricultural and environmental interests did not exist, that there was a great deal of common ground between them and that the two terms were not necessarily mutually exclusive. Indeed, many strong conservationists are members of the agricultural community and some of the best protectors of the natural habitat in the Province are farmers. I was pleased to find that the Ulster Farmers Union, the

Agriculture Committee of the Assembly and even the Department of Agriculture in many ways were not unsympathetic to proposals to protect the environment.

The problem, however, is the unfortunate change of one word in the order. Again, this shows the weakness of our parliamentary procedures. Even when the Minister agrees that the word should not be as it is and the House would clearly be prepared to accept the change to which he has referred, he cannot do anything about it because Orders in Council cannot be amended, however sensible the amendment may be.

For once, the situation cannot be blamed on the Assembly, however much any hon. Member may wish to do so. The proposal for a draft order considered by the Assembly was perfectly satisfactory as it used the mandatory "will" or "shall" rather than the permissive "may". The Assembly made no recommendation because it was satisfied with the proposal, having had the advantage of both written and oral evidence from the Minister's Department which at no time referred to any proposed change in the wording.

None of the conservation and amenity groups made any comment on the matter because they, too, were perfectly satisfied. Indeed, we were aware that the 1965 Act was mandatory, as was the 1981 Act for Great Britain, so it was logical that the Northern Ireland order should take that form as its main purpose was to bring Northern Ireland into line with Great Britain. Suddenly, however, somebody somewhere in the Department brought out a rubber and a pencil and changed a proposal that had left everyone quite pleased into one that has alarmed the vast majority, if not all, of the conservation and amenity groups and bewildered many of the rest of us.

I recognise that the Minister in good faith has given an undertaking to the House. That is on the record and I know that he will stand by it. No matter how many of us may wish it, the Minister will not be with us always. He is undoubtedly destined for higher things. He may not be there to ensure that the guarantee that he has given to the House, and which the House no doubt accepts, will be upheld in the same spirit by his successors. The hon. Gentleman might—heaven forbid—even be succeeded by an hon. Member of another party, who might not take the same generous view of the interpretation of the legislation.

I hope that the Minister will tell us tonight that, regardless of whether there are major reservations, he will, when he finds that he can legislate for the Balfour report on the structure of conservation, correct this unfortunate mistake in the legislation and ensure that those who follow him have the strength of statute behind them when they take decisions.

I do not believe that the Minister was trying, by sleight of hand, to put one over on the Assembly, the conservation groups or the amenity organisations in the Province. Here is a way in which he can prove to us that I am right.

1.56 pm

Mr. J. Enoch Powell (South Down): I join the hon. Member for Belfast, East (Mr. Robinson) in looking forward to the day, which is visibly coming closer, when the law in Northern Ireland will be made in a manner which enables it to be debated and amended in detail as is the law for the rest of the United Kingdom. Indeed, it was part of the encouragement of this evening's proceedings to have learnt that the Liberal party is now in favour of legislating for Northern Ireland, wherever practicable, within a United Kingdom Bill. Things are looking up, and we may not have to take part in niggling debates such as this for ever.

When there is a good row going on over a word—the argument between "may" and "shall"—the temptation to join in is irresistible. When I heard reference to the Royal Society for the Protection of Birds, it occurred to me that there was a case for a royal society for the protection of parliamentary draftsmen. They are, as Dr. Johnson once defined a lexicographer, "harmless, necessary drudges" and it is only right that from time to time a word should be said in their favour. This evening, that is a task that it falls to me to take up.

I have read article 24(1) of the draft order without any inhibition caused by having previously considered a different draft, and I notice that the conditional part of that paragraph is voluntary. It is discretionary. For "Department" we have to read "Minister", doing the usual voodoo—that is now the in word—which is prescribed by the Northern Ireland Act 1974. The paragraph begins:

"Where the Department is satisfied that"

such and such. We then proceed to the main sentence, of which the verb is now "may".

It seems to be self-evident that if a condition is discretionary, the act itself must be discretionary by nature and that, if the draftsman had originally written "may" he would have been acting in conformity both with good sense and with the drafting practice that, in other statutes, we have been accustomed to who in our younger days happily moved amendments to leave out "may" and insert "shall" and made such speeches as have been heard in the Chamber tonight.

I do not believe that there is anything wrong with paragraph (1) of article 24. What is wrong—this has come out in the debate—is the awkward manner in which the drafting was brought into consonance with logic and common practice at an awkward stage in the gestation of the order. This too is something which we would have avoided if we were legislating in the normal manner, for if we were legislating in the normal manner it would have fallen to the Minister in charge of the Bill first to decide whether he wanted to alter the drafting at any particular stage and then to come forward to Committee and move his amendment in the open. All of the speeches would then be recorded in the indelible pages of *Hansard* and there would be no suggestion of disappointment and no tremors of alarm would have run through the observing public as they have done as a result of this drafting alteration.

I hope that the Minister will take comfort from those remarks and also from the generous and comprehensive démenti of any other intention but that always expressed in relation to this article which he offered to the House.

I should like to raise with the Minister the relationship in this order between the functions of the Minister, or Department, and the functions of local authorities. Far be it from any hon. Member on this Bench to query powers entrusted to local government in Northern Ireland, but even when we see such powers entrusted, as they are in two places in this order in respect of nature reserves and areas of outstanding natural beauty, it is pertinent to inquire what is to be the division of responsibility and how that is to work out between the Minister and district councils. If the Minister is to make up his mind as to the nature reserves that need to be created, what scope is there to be for the district councils similarly to arrive at their

[Mr. J. Enoch Powell]

own conclusions to create nature reserves? Are we to have competitive creation of nature reserves between local authority and Department, or is there some gradation of the desirability of nature reserves whereby the higher level of necessity will be met by ministerial decision and the lower level will be left to the discretion of the local authority? It seems to me that, with this order, we are entitled to some indication from the Government of the manner in which they believe these concurrent powers will be exercised by central and by local government.

The concurrence in the matter of nature reserves is on the face of the order. In the case of areas of outstanding natural beauty, the concurrence is between the powers in this order and some of the powers in the Access to the Countryside (Northern Ireland) Order 1983.

I draw the Minister's attention, and that of the House, especially to the provisions in paragraph (5) of article 14, which empowers the Minister to formulate proposals for, among other things, promoting the enjoyment of areas of natural beauty by the public and

"providing or maintaining public access to it."

That latter provision is directly concurrent with the powers of local authorities under the access to the countryside order. It would be helpful if there were a certain statement of policy in that respect from the Government, especially as—in this I find myself in agreement with the hon. Member for Middlesbrough (Mr. Bell)—the financial provisions in this order appear to be extraordinarily vague. Indeed, they are difficult to understand.

When one considers the financing of the provisions to which I have drawn attention, one learns in article 29 that the Department may

"make grants to any body of persons"

and

"give financial assistance by way of grant or loan".

There seems to be a strange inapplicability of the wording of that provision to the direct operations of the Department itself. It looks as if it were a provision of finance purely for the assistance of secondary bodies or secondary functions under the order. I hope that when he is replying to the hon. Member for Middlesbrough the Minister will be able to clear that up. I do not think it would be reasonable to expect him to offer in numerical terms any forecast or specification of the cost of implementing the order in successive financial years, but I think the House ought to understand better than it is easy to do from article 29 how the application of the financial provisions will work.

I return to the concurrence of powers for providing access to the countryside so as to utter a cautionary note which may have financial applications. About a year ago the Minister and I were in correspondence, helpful as correspondence with the hon. Gentleman always is, if I may say so, on access to the countryside in one of the areas of the most wild and glorious natural beauty in the most beautiful constituency in the United Kingdom, namely, South Down. I have in mind the Trassey valley in the Mourne mountains where public access exists, always has existed and should be properly preserved and safeguarded, if that were necessary.

Unfortunately, the result of unregulated public access is to bring considerable loss and damage to those who earn their livelihood or part of their livelihood from that countryside who happen to be members of one of those syndicates which for historical reasons control the use of the uplands in that part of the Province. They find that the unregulated access along undoubted rights of way to the joys of the countryside in that area results in damage and loss to themselves, simply because those who have access do not restrict themselves to the right of way nor their activities to enjoying the country but go as far afield as to collect firewood by demolishing fences and making fires for cooking and other purposes with the result of their ravages.

The correspondence between the Minister and myself terminated somewhat unsatisfactorily in February of last year with a reference to the fact that the district council could make an order, the terms of which could be agreed with the users of the land concerned. That left completely at large who was to do the policing of this access to the countryside and where the financial burden would be borne of any loss which rested with the users of the land as a result of the access that was accorded.

So we are brought back, not surprisingly, to finance in the end. One would wish to know how far the Department will stand behind the district councils in whatever is to be their distinct function, as opposed to the Department's own function in exercising the duties which can be undertaken under the order. I know that this is a problem to which the Minister has been alive. I place it upon the record deliberately because, though I agree with the hon. Member for Belfast, East that good agriculture is one of the best forms of conservation and enhancement of the amenity of the countryside, we must remember that there is always an attendant potential penalty which accompanies all these well-intended and desirable measures. That penalty is often not spread over the whole community but falls on individuals and specific groups to whom it is also our nature to have regard.

As well as giving sympathetic attention to these matters in his administration of the order, I hope that the Minister will also be able to make an illuminating reference to them when he replies.

2.10 am

Sir John Farr (Harborough): One of the most welcome features of the Wildlife and Countryside Act 1981 was the firm requirement relating to SSSIs. This order contains a similar form of site of special scientific interest known as an area of special scientific interest.

I wish briefly to back up what has been said about article 24. The Royal Society for Nature Conservation, the national association of the nature conservation trusts, is concerned about the change in the wording to "may". It regards the change to be of such fundamental importance that it would like to see the order withdrawn and a new one introduced.

Unlike the House, it has not had the benefit of the Minister's explanation and his firm and generous undertaking that he will look at how this works. He also said that in any event he would be introducing new orders and legislation in relation to wildlife and countryside matters in Northern Ireland and that, if any concern still existed at that time, he would put the matter right.

However, it should be put on record that the Royal Society for Nature Conservation feels that, as the order is currently drafted, criteria other than scientific ones could easily creep into the decision about whether or not an area was scheduled. For example, it would be easy for a site

with potential for industrial development not to be scheduled, thereby losing any benefit it might have received from an official label as to its importance.

These are the fears of the national association of the nature conservation trusts, a not unimportant body, which has been closely concerned with the hammering out of the structure of the order. While I know that it, like me, willingly accepts the undertaking that the Minister has already given, I hope he will recognise that this concern is widespread on both sides of the House.

2.14 am

Mr. Stephen Ross (Isle of Wight): I do not wish to labour the point about article 24, which has been referred to by every hon. Member who has spoken so far. However, this first-class order has a shadow hanging over it because of the change in the wording from "shall" to "may". Most people think that it should be "shall", as that more clearly reflects what was intended.

The Minister went a long way to assure us, but his words will be read over and over again, not only by the Royal Society for the Protection of Birds, but by the Royal Society for Nature Conservation and many others who are concerned about any weakening of the order. I hope that the Minister will give us further assurances when he replies.

One of the failings of the Wildlife and Countryside Act is the lack of adequate resources provided to the Nature Conservancy Council and to a number of qualified people on the ground. That has now been met by an additional £7 million being made available to the NCC. That will allow it to take on at least another 100 staff.

The Royal Society for the Protection of Birds reckons that in the Countryside Commission, the NCC and the national parks about 2,000 people are deployed on conservation matters in Great Britain. However, it calculates that only 27 such people are deployed in Northern Ireland in the Department of the Environment, and they are spread about and have different obligations. The right hon. Member for South Down (Mr. Powell) wondered where the money would come from to increase the numbers. More people will be needed if the measure is to be properly implemented.

Will it be possible to extend the work of the NCC to Northern Ireland? I hope that that will not be thrown against me as another Liberal suggestion. I do not see why the NCC should apply only to Great Britain. I do not want to reflect on the abilities of the members of the proposed committee on nature conservation, or on the Ulster Countryside Commission, but they will act merely in an advisory capacity and not operate on the ground carrying out orders.

Has the Balfour report been published, and will people other than hon. Members be able to make representations about it? Will there be adequate consultation? I assume that interested parties will be able to make representations to Ministers. I hope that discussions will be fruitful and that the error in article 24 will be remedied. I welcome the step forward. Northern Ireland is now ahead of the rest of the United Kingdom, and that is a jolly good thing.

2.17 am

Mr. A. Cecil Walker (Belfast, North): I have studied the order, and I commend the Government on their efforts in support of the principles of conservation and provisions for Northern Ireland.

Some aspects of the order concern me. As that concern might be due to my ignorance, I should be pleased if the Minister could clarify one or two matters.

I am interested in marine nature reserves, so I was happy to read in article 21 (2) *(a)* (ii) on page 16 that provision may be made

"for prohibiting or restricting . . . the doing of anything therein which will interfere with the sea bed or damage or disturb any object in the reserve."

I agree with those sentiments, but I should like clarification of article 21 (5) on page 17. That states:

"Nothing in the byelaws so made shall make unlawful . . . anything done more than 30 metres below the sea bed."

I should have thought that anything done below the sea bed would interfere with any marine reserve.

Perhaps it refers to the safety of a vessel. It is not unlawful to discharge any substance from a vessel. Paragraph (4) *(a)* says that it is not intended to

"prohibit or restrict the exercise of any right of passage by vessel other than a pleasure boat".

I do not know what difference there can be between a pleasure boat and a commercial boat. They are boats and they can cause problems in a marine reserve. They can erode banks and disturb the inmates. That seems to be recognised in article 30 (3) *(b)*, which says that the Department

"may prohibit or restrict, either generally or in a manner specified in the bylaws, the use of mechanically-propelled vessels on watercourses in, or whose shores lie within, any such land".

The order states that a watercourse

"includes tidal and coastal waters, rivers, canals, lakes and reservoirs."

I am pleased that arrangements can be made to provide grants to any body of persons involved in conservation, as that will encourage active participation in the protection of our habitat. It will be welcomed by all those interested in that part of our environment.

2.20 am

Mr. William Ross (Londonderry, East): I had intended to follow the hon. Member for Belfast, East (Mr. Robinson) and berate the Minister about the change from "shall" to "may". They are always good words on which to base a few remarks. However, my right hon. Friend the Member for South Down (Mr. Powell) has already given an explanation that I have not yet fully digested. I have no doubt that the Minister, who has greater back-up than I, will have sorted it out and will have his own views. Having said that, the information that we have been given is that nature conservancy in Great Britain has a statutory duty to declare an ASSI.

I do not yet understand whether there is a difference between the end result in Great Britain and Northern Ireland. I welcome assurances, but Ministers and Governments change. However, a statutory right would remain unless it was brought before the House and changed. For that reason, I am unhappy and want to hear rather more about it.

I wish to ask one or two questions about finance. Under article 7, the Department may make grants either by way of the Department of the Environment or otherwise to the National Trust for the acquiring of land. Under article 29, the Department of Finance and Personnel may make grants

"to any body or persons (not being a body carried on for profit) having among its objects the conservation of wildlife or of the countryside."

That does not have to be the only objective of the body; it is only one of several. Organisations may have more

[Mr. William Ross]

than one interest and they may not be universally loved, even if the Government are prepared to give them money. One wonders whether any grants, loans and financial help will be used in a way that might be detrimental to the desires and wishes of others who might have an interest in that same land.

The Government are giving a financial advantage, even if it is only an offsetting financial advantage. Heaven only knows when money goes into an organisation what the end result will be. I am always unhappy about such measures. I would prefer the Department to have taken direct responsibility for those matters rather than subsidise someone else to do it. It would be simpler and more straightforward for the individual directly responsible to be on the Government Bench so that we could question him. However, instead, the matter is dealt with at arm's length and hon. Members can be fobbed off. The Department of the Environment is the proper body to take direct responsibility for those lands.

There is the whole question of covenants and management agreements. As time is running out, I shall not go into that matter too deeply. I wish to draw to the attention of the farming community in Northern Ireland that once such a covenant or management agreement is entered into, it is permanent. Therefore, there is a permanent loss to the landowner. It is doubtful whether the successors in title would in all cases be happy that an agreement had been made. I would not as a landowner wish to make any commitment which extended beyond my lifetime, as one has no way of knowing what the next generation will do or what the end result might be. The farming community will need to consider this matter deeply before entering into any commitment.

It will be possible under article 19, by byelaw, to prohibit

"the shooting of birds or of birds of any description within such area surrounding or adjoining the nature reserve".

How will that work? What is meant by "area surrounding"? How wide will be the boundary of land which is not under the direct control of the body which controls the nature reserve? Will it be 100 yards, one mile, or what? Sportsmen will want to have that made clear.

There is the problem of seals in relation to marine reserves. The Under-Secretary will be aware of the problem with seals on the west coast of Scotland. While they may not pose a major problem off the coasts of Northern Ireland, they are of concern to salmon fishermen. These problems are well known to the Minister. I should not like the position to be reached when everybody loved the seals so much that they forgot about the fish and the fishing communities.

Mr. Chris Patten *indicated assent.*

Mr. Ross: I am glad to see the Under-Secretary nodding in agreement.

In Scotland, the needs of fishermen are being ignored, and the right of seals to multiply for ever is being greatly respected. I hope that the Minister will give an assurance that easily understood regulations will be laid to enable everyone to understand what is an adequate number of seals—or of any species of wildlife in a reserve—so that numbers may be kept to reasonable levels.

As other hon. Members have said, the implementation of these provisions will depend on money being available. As this is partly an exercise in centralisation, I hope that the money will be forthcoming.

What demands are placed on us in this connection by the EEC and the Berne convention? Only in the Minister's closing remarks on the preceding order did it become plain that the real reason for introducing the ban on snares and automatic shotguns was the demand of the EEC. That, in my eyes, was enough to condemn the proposal straight away.

2.24 am

Mr. Chris Patten: I am grateful for this opportunity to respond to the debate.

The hon. Member for Middlesbrough (Mr. Bell), in an interesting speech, said that he thought that we were, by the order, improving on Great Britain legislation, and that was a fair point for him to make. He then said—this point was made by a number of hon. Members—that appreciation of the progress that we were making by the order had been somewhat undermined by the terms in which article 24 had been drafted.

There is not much point in my seeking to adduce once again the reasons for the choice of words in article 24. I must clearly take responsibility for what happens in my Department and for the terms in which its legislation is drafted. I have listened carefully to the views of hon. Members, especially to those of the right hon. Member for South Down (Mr. Powell), who made, I think, his inaugural address on behalf of the royal society for the protection of parliamentary draftsmen. He put the point rather better than I could have done.

I appreciate that suspicions have been aroused by the drafting of article 24. The hon. Members for Belfast, East (Mr. Robinson) and for Belfast, North (Mr. Walker) have voiced them with their customary civility. I assure the hon. Gentlemen that their suspicions are groundless. However, I should not want them to blight what has been an agreeable occasion, or what is important and valuable legislation.

In the circumstances, it is reasonable for me to go further than I went in my earlier remarks and to give the undertaking that when we bring forward legislation, as we shall be obliged to do in due course to implement the Balfour report, we shall amend the wording in the article so that it takes account of the arguments that have been advanced. I hope that that will be regarded as satisfactory by the House. The issue was taken up also by my hon. Friend the Member for Harborough (Sir J. Farr) and by the hon. Member for Isle of Wight (Mr. Ross). I hope that my undertaking will reassure those who understandably, are anxious. In the meantime, I repeat that my Department regards it as an obligation to declare as ASSIs all areas which meet the criteria which we shall be drawing up.

Mr. William Ross: As the Minister knows, there appear frequently from the departments of the Northern Ireland Office various orders which contain mistakes. Subsequently we receive a small slip which tells us that there is a error and that a word should be substituted for the one printed in the order. Can that not be done in this instance?

Mr. Patten: No. As always, the hon. Gentleman has made a seductive proposition, but it is not one that will lure

us into his boudoir. I wish that life was that simple and straightforward. I have noted what hon. Members have said during the debate, and my response is given on behalf of the Government. The hon. Member for Belfast, East said that I might be taken away to higher things. I assure him that, like my hon. Friend the Under-Secretary of State for Health and Social Security, who preceded me at the Department of the Environment for Northern Ireland, there is no more important Department than that for which I am responsible.

The hon. Member for Middlesbrough referred to marine nature reserves. The provisions relating to them are the same as those in the Wildlife and Countryside Act. Surveys are being undertaken to determine the criteria for the reserves and to identify potential reserves. We are all too conscious of the problems which have been faced on this side of the water. Monitoring is taking place, and should similar problems arise in Northern Ireland we shall seek to remedy the position, especially in the light of future changes that are made in Great Britain legislation.

The hon. Member said that in order to implement this legislation fully we would need, as the Balfour report suggested, to provide resources of manpower and cash. I accept that point, which the report agrued strongly. It would be injudicious and dishonest of me to pretend that the sky is the limit in providing resources. Nevertheless, I appreciate the fact that we need to do more and that, even while my Department has other pressing priorities, we need to commit greater resources. I am bound to confess that I doubt that the increase in resources will match what people will press us to provide.

The hon. Member for Isle of Wight referred to the Balfour report. I shall ensure that he is sent a copy. We shall welcome representations from everyone. I doubt that we could stop any representations. We look forward to the representations that we shall receive about that extremely thoughtful document, which was highly commended by the hon. Member for Belfast, East. I welcome the broad thrust of the document's proposals. Legislation will be required to implement them.

The right hon. Member for South Down referred especially to the relationship between the functions of the Department of the Environment and those that will be discharged by local authorities. He had in mind particularly the functions referred to in article 22, which follow the position that has obtained in great Britain since 1949. Clearly, we shall need to proceed, wherever possible, by agreement. The Department of the Environment will continue to establish nature reserves of national standing. Nature reserves of local status can be established by district councils. We shall encourage district councils to use the grants that we provide to enhance and control public access to areas of outstanding natural beauty.

The right hon. Member for South Down mentioned the loss of amenity by misuse by visitors to Trassey valley. The district council in that area may have a range of service grant — aided by the Department of the Environment. Where the district council makes an access agreement with a landowner, such as in the case to which the right hon. Gentleman referred, it takes over responsiblity and public liability for that land. I shall look again at that case. I should like to think that we could be helpful, working with the district council or with the Mournes advisory committee, because I share the right hon. Gentleman's regard for and love of that area, even though I do not yet share his knowledge of it.

The right hon. Member for South Down asked about total expenditure. It is difficult to be precise. The order contains five new powers under which financial aid may be given, first, to district councils to acquire land for nature reserve purposes; secondly, to landowners under nanagement agreements in respect of ASSIs; thirdly, to the owner of an estate in an agricultural unit who can show that he has suffered a reduction in the value of his estate which is directly attributable to the declaration of an ASSI; fourthly, to the owner of any estate in land comprised in an ASSI who can show that he has incurred loss or damage or abortive expenditure as a consequence of an extension of the initial three-month period of restriction or negotiation; and, fifthly, to voluntary conservation bodies and individuals under article 29. We are setting aside funds for those items in the financial year 1985-86. At this stage it is a little difficult to be precise about figures. We shall not be able to define the financial requirements accurately until the order has been in operation for a year or two.

I repeat what I said earlier to the hon. Member for Middlesbrough, that I recognise that we will have to commit more resources out of our fairly hard-pressed budget if the provisions in this legislation are to have the effect that we should all like.

The hon. Member for Belfast, North asked about local marine nature reserves and the possible interference with the passage of shipping, including pleasure boats. I hope that that will not occur. The right of innocent passage, as the hon. Gentleman will be aware, is an international obligation under the 1958 convention on the territorial sea and the contiguous zone. The byelaws that we shall produce cannot override international obligations to which we are a party. I hope that it will be possible to proceed in these matters by co-operation.

The hon. Member for Londonderry, East (Mr. Ross) asked about article 7. The National Trust is mentioned because of its statutory base. As the hon. Gentleman will be aware, it is established under an Act of Parliament. He also asked about article 22. The principle of giving grants is to encourage more bodies and individuals to be actively involved in conservation. He mentioned marine nature reserves, and there will, of course, be full consultation to determine marine nature reserves. We have provided for public inquiries before they are specified. Therefore, I hope that the relevant points that he mentioned can be dealt with during those consultations and the process of inquiry.

I shall conclude with the last sentences of the report by Dr. Balfour, which has been mentioned so often this evening. In her last sentences she wrote that

> "the opportunities for change provided by the Access to the Countryside (Northern Ireland) Order 1983 and the two Draft Orders must be grasped and the chance to develop new relationships in the countryside seized with purpose and understanding. Such initiatives can benefit those who live and work in the Northern Ireland countryside and those who visit and enjoy it, but most important of all will be the contribution to the quality of life in the Province. To do this requires a will at political and departmental level to change, and a commitment to provide the resources to do the job."

My Department looks forward to meeting that challenge and to providing the commitment which I know will be available from those who work in my Department.

It is my task to ensure that there are enough of them and that they have the resources to do the job which to date they have done so competently.

Question put and agreed to.

Resolved,

That the draft Nature Conservation and Amenity Lands (Northern Ireland) Order 1984, which was laid before this House on 22nd November, be approved.

Home Improvement Grants

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Garel-Jones.*]

2.43 am

Mr. Austin Mitchell (Great Grimsby): The subject for my Adjournment debate is simple. Selling home improvements has become a high-pressure business, with high pressure at the door, through advertising in magazines and all the other advertising techniques. People offer guarantees. On double glazing, the guarantee can be for five years; on damp proofing it can be for 10 to 15 years; and on house extensions it can be for 10 years.

Such guarantees are a big inducement. They are featured prominently in many advertisements. I have one for Wallguard damp protection products with a huge "Stop it" guarantee for 30 years which claims that Wallguard unconditionally guarantees the treatment carried out to eliminate rising damp for 30 years. That advertisement appeared in the *Sunday Express* colour magazine on 2 December, 1984, and that same week Wallguard went into liquidation. Thereby hangs my tale.

Not only are many of the guarantees vague; they suffer from limitations of cover. People are guaranteed in the sales talk that there will be no condensation if double glazing is installed, and when the guarantee arrives it does not cover condensation. People suffer from exclusions of liability for consequential losses. If the damp coursing does not work and the whole room has to be redecorated or replastered, often that is not covered by the guarantee. Some of the guarantees are unenforceable without the assistance of a good lawyer, and all of them are only as good as the company that offers them. They are meaningless with a bad company that does not live up to its obligations; they are all right in the case of a good company. But they are all useless if the company goes bust, because they give the holders no right and they give the holders no claim, and as creditors the holders have no status. The guarantees effectively die with the company. But the problems caused by inadequate workmanship or faulty goods linger on.

Therefore, the question is: how can we guarantee the guarantees? It is an important question to anybody who wants to improve his own house. This is a £3,000 million a year business. I suppose we all want to improve our houses. Indeed, one of the most striking features of the past 15 years has been the great surge of home improvement. At times it seemed that the hills were alive with the sound of hammers as home improvement went on. It makes life better, it makes life more comfortable, and it improves the housing stock of the country. It is, indeed, a national service. I should have thought, therefore, that a Government who proclaim their commitment to home ownership would want to safeguard that business and the guarantees that are an essential part of it.

The business is highly competitive and has brought in sharp operators—in some respects cowboys. Guarantees are needed against their inadequacies. Home improvements last for years; the householder is guaranteed that they will live up to the claims made for them. He needs guarantees to give him peace of mind. But what happens if the company goes bust?

There have been several examples in recent months. One of them was Monarch Home Extensions, Peterborough-based, which was offering 10-year

guarantees on its work. Another was Coldshield Windows, a big name in the business, which was offering five-year guarantees on its double glazing. There was Mulberry Home Extensions. There was Wallguard Damp Treatment, which I have already mentioned and which was offering a 30-year guarantee. The last three, Coldshield, Mulberry and Wallguard, were taken over by the Hawley Group in September 1984. The intention then was said to be to combine Coldshield with Alpine, which the Hawley Group already controlled, but in fact all three companies were liquidated in December. A number of householders —it might be as high as 2,000—holding guarantees for work done by those companies were left with worthless guarantees. They had trusted the reputation of the company, they had taken the guarantee, and they were left with no redress or stake; they were not even told, in many cases, that the company which offered them the guarantee had gone into liquidation.

The Hawley Group was happy to take on those companies earlier in the year. It has a similar business, Alpine Double Glazing, so that it can absorb sales money and take on uncompleted business, but it does not feel any compulsion to take on the guarantees offered by the companies that it took over. The Hawley Group is a big group—its turnover in the first six months of 1984 was £119 million — but it has nothing to spare for the guarantees of people who had had work done by the companies that it took over last year. It has just taken over four United States companies concerned with cleaning and landscaping for a first payment of £4·4 million, but there is nothing to spare for the guarantees issued by Coldshield, among others.

The merger makes good business sense, but it does not make good business sense to take on the obligations of the companies that are taken over and then liquidated. For example, there were obligations to old couples with badly fitted double glazing and people with damp courses that were not working properly. That has happened not only with the companies that I have quoted but with a whole range of companies. I have a letter from Mr. Donald Livingston of Largs in Scotland, who says:

"Having 25 years experience in the Aluminium Window Industry and a former member of The Aluminium Window Association I am disgusted with the present state of affairs in the Replacement Window Industry."

Mr. Livingston writes:

"The main problem lies in the installation of replacement windows. Old windows are ripped out and new ones installed and with timber facings, beading etc., fitted internally, the customer cannot see if the job has been 'botched'. Poor external mastic painting eventually leads to water penetration."

Mr. Donald Livingston includes in his letter a cutting from the *Sunday Post* with a customer complaint to the newspaper. Mr. D. Jenkins writes:

"Last April, we decided to have double glazing by Alva Glen Windows, Ltd. After the fitting in July, we've had leaking frames, seals incomplete, dust and debris in the sealed glass, etc. They came three times to rectify the faults, which are still there. I've heard they're in financial trouble."

The newspaper replies, somewhat tersely:

"Afraid you're right, Mr. J. Firm in liquidation. Will send address which should be helpful."

I wonder whether it was. That is the sort of thing that is happening all too often and for which, if the firm goes out of business, the customer has no redress.

Therefore, the guarantee is not what it is supposed to be—something to give the customer peace of mind and confidence in the installation. It is not rare, because over a score of companies, many small, have gone bust in the past few months, some this week. The problems they face are the recession, and the facts that the trade is overcrowded and has probably peaked, and that VAT was imposed on home improvements in June. The situation will get worse now that interest rates have risen by 2·5 per cent. because that will be a bitter blow to a business that has become intensely, almost hysterically, competitive.

The extent of that competition is shown by the increasing hysteria of many of the advertisements, which say, "35 per cent. off", "One third off", "Save up to 40 per cent." Those cries reveal a business in a frenetic state of competition. A business that depends, as this one does, on credit, will be hard hit by a 2·5 per cent. increase in interest rates. Something needs to be done, and done soon if the industry is, as I have prophesied, facing severe problems.

I have some suggestions. My Adjournment motion refers to home improvement grants. I approached the matter in that way, frankly, because in an Adjournment debate one cannot propose legislation. I suggest that the firms carrying out home improvements that qualify for grants be required to offer enforceable bonded or insured guarantees that will live on if the firm goes out of business and that those guarantees should be satisfactory in terms of the Office of Fair Trading criteria set out in its documents. That is essential, as I know from bitter personal experience of trying to get redress against a firm the work of which was inadequate, which had been done in my own home, on a home improvement grant. The firm went into liquidation. The council obligingly offered that I could sue it to get redress but then told me that that would probably cost more than the cost of the work in the first place. That is the first avenue of approach.

The second approach is to ask the Newspaper Publishers Association to modify its code of conduct and ensure that the guarantees that feature so prominently in advertisements—for example, a guarantee of 30 years issued in the week that the company went into liquidation —are enforceable and will live on. It should ensure that the newspapers do not go in for the practice of accepting advertisements from firms known to be in difficulties, which offer long-term guarantees that they cannot fulfil.

Thirdly, we can legislate so that, if a firm takes over after a company has been liquidated, it also takes on the liability of that company's guarantees. In this way, if a firm which offers guarantees goes into liquidation, those guarantees can be enforceable subsequently and the people who hold the guarantees will have a claim against the company. We should legislate to ensure that the guarantees are valid, bonded or covered by insurance.

Fifthly, the trade associations have a role. A responsibility falls on the trade associations for the different sections of the home improvement industry. There should be an industry bonding scheme. In the instance of Coldshield, the Office of Fair Trading has already drawn up a code of conduct in the cowboy country of double glazing in conjunction with the Glass Glazing Federation, yet the only responsibility that the Glass and Glazing Federation had when Coldshield collapsed, leaving tens of thousands of customers with worthless guarantees, was to say that, when people had put down the money and not had the order fulfilled, the federation would get another firm to put it in, an effort which was not much use.

[Mr. Austin Mitchell]

The inadequacy of that effort contrasts with the Guaranteed Treatments Protection Trust which was set up recently by the British Wood Preserving Association and the British Chemical Dampcourse Association Ltd. to stand in place of any member contractor who ceases trading leaving unexpired long-term guarantees so that the guarantee through that organisation becomes a secured promise. We should commend and encourage that kind of industry effort as an important way of dealing with the problem.

The aim of responsible and respectable trade associations should be proper bonding in a trade association registered with the Office of Fair Trading so that it is known that the bonding is acceptable and those bonds will live on. This could bring some order and sense into what is still cowboy country and ensure that firms behave responsibly and are prepared to offer guarantees which can be enforced and which they can live up to. That is essential in an industry where conditions are becoming increasingly tougher.

In many respects, the tale of house improvements guarantees is a sorry one. I do not say that everybody with a guarantee should immediately reach for the panic button. Some progressive firms offer effective guarantees, and most guarantees are reliable as long as the firm survives and can be prodded by publicity, legal action or some other kind of pressure into honouring the guarantees. The problem is that not all firms are like that and that few guarantees are bonded or insured. Several firms have got into difficulties and other firms may well be threatened in the near future in the present tough conditions that industries are experiencing—a situation that has been made tougher by the Government's action on interest rates.

It is no use saying: let the buyer beware. I agree with the Office of Fair Trading that it is necessary to educate the consumer to know what rights he has under the guarantee. The consumer must be protected. That entails using the leverage of improvements grants to impose conditions, prodding the trade associations into effective action and enacting legislation to give rights to the guarantee holder. Providing a guarantee is a direct contract between the customer and an authorised insurer. Alternatively, it should be properly bonded in the industry.

There should be a concerted effort to ensure that guarantees mean something instead of being merely a means of conning the consumer into making long-term purchases, which all these items are. Guarantees should be a discipline on an industry which certainly needs one. It is in the interests of the reputable firms in the industry to control the cowboys and to make sure that all firms live up to standards and compete on the basis of satisfaction to the customers.

Home ownership is important and should be encouraged. Home improvement must also be stimulated. To do that the Government have a responsibility to act on the guarantees offered in the industry.

2.59 am

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Alex Fletcher): I am grateful to the hon. Member for Great Grimsby (Mr. Mitchell) for raising and drawing attention to this subject. There cannot be any hon. Member who over the years has not heard complaints from constituents who have had a great deal of their savings or time and effort wasted by cowboy builders or so-called guarantees or commitments which were not followed through when things went wrong with the business. I am sympathetic, to say the least, and anxious to see what solutions can be found.

The industry is extremely diverse, ranging from the one-man business, and indeed the moonlighter, to very substantial firms, and it is not easily organised into a system of trade associations which could achieve the kind of self-regulation that one would like. I emphasise self-regulation and shall return to it in more detail later.

As the hon. Gentleman knows, the industry generally and the home improvements sector have been studied by the Director General of Fair Trading. In June 1983 the Director General produced a major report on the subject with a large number of recommendations, including cooling-off periods, written contracts, a general duty to trade fairly, encouragement of warranty schemes and standard contract terms. I assure the hon. Gentleman that the recommendations are being very seriously considered by my colleagues at the Department of the Environment. Indeed, I believe that the matter was debated in the House about a year ago.

In a home improvement transaction, as in any other, the primary responsibility must rest with the purchaser—the home owner—to satisfy himself that he is getting the best possible job done. The Office of Fair Trading has provided very useful guidance on this, including an invaluable checklist of seven golden rules for home improvements.

It is always worth choosing a reputable builder and taking full advantage of the schemes increasingly being offered by the construction industry to improve its services. One must, of course, look behind the schemes. I hope that the publicity provided by this debate and the hon. Gentleman's interest in these matters will be further warning to consumers not to take advertisements, such as the one to which he referred, at their face value. I do not know whether it would be practicable for newspaper publishers to try to impose some discipline among themselves to look into such schemes, but the hon. Gentleman's suggestion is certainly worth following up with the Director General, with whom I believe the hon. Gentleman is in correspondence.

The hon. Gentleman particularly mentioned damp-proofing. I believe that he mentioned the joint guarantee scheme offered by the British Chemical Dampcourse Association Ltd. and the British Wood Preserving Association, under which member firms offer an independent insurance scheme to clients on payment of a small premium, providing a 20-year back-up guarantee intended to cover situations in which individual contractors go out of business. That appears to be an ideal type of scheme, in that it is independently covered by the insurers and will take effect in cases of insolvency.

I was very pleased, just recently, to learn of the launch of the new guarantee scheme of the Building Employers Confederation by my hon. Friend the Parliamentary Under-Secretary of State for the Environment. As he said on that occasion, the irresponsible section of the industry has fed Esther Rantzen with a rich and steady diet—which, alas, means that much of the industry is tarred with the same brush.

My hon. Friend also pointed out then that repair, maintenance and improvement is becoming an increasingly important part of the construction industry work

load. Ten years ago repair and maintenance made up only 28 per cent. of all construction work: last year, it had increased to about 40 per cent. The business is expanding.

It is normal in such circumstances for people to look to the Government to provide some form of statutory regulation or licensing for firms in the industry. I do not believe that that would be the right answer. I doubt the practicability of such a scheme. I cannot think of an industry that would be more difficult to organise in such a way than the building industry. That is why self-regulation seems to me to be the only way forward.

That view is shared by the Director General of Fair Trading, who has actively pursued a policy of developing codes of practice for many sectors of industry. He has, for example, helped in the formation of a code of practice by the Glass and Glazing Federation which covers, amongst other things, double glazing, to which the hon. Gentleman referred.

There are other schemes. The Building Employers Confederation guarantee scheme was a major step forward in changing the image of the industry and helping to restore confidence to those who have suffered in the past. There are also schemes operated by the Federation of Master Builders, the plumbers and the roofing contractors. The schemes offer varying degrees of guarantee.

Looking to a wider front, I know that the hon. Member is generally concerned about the situation of guarantees and what happens when companies go out of business; and I know he is concerned about other companies assuming responsibility for guarantees and for passing on information to guarantee-holders.

The Government's proposals for the reform of the insolvency legislation—a major Bill received its Second reading in another place on Tuesday—will provide an additional degree of protection for consumers, especially through the wrongful trading provisions, which are aimed at directors of businesses who, knowing that they have become insolvent, continue to undertake obligations that they cannot meet.

Mr. Austin Mitchell: Would it not be possible to table amendments to the Bill giving rights to guarantee-holders? They have a financial stake in the company that goes out of business, so their rights should be recognised in any insolvency proceedings.

Mr. Fletcher: Yes; but the liability would be a contingent liability. It would not be a liability that an official receiver or liquidator could take into account. That would be the difficulty. Only if the guarantee-holder had to call in another contractor to do the work, or incurred some other expense, might he rank as a creditor.

I do not, therefore, think that the hon. Gentleman's suggestion is a practical one. We can, however, make directors act more responsibly, and minimise loss and damage, through provisions such as the wrongful trading provisions. Where they wilfully took on obligations that they knew that they could not honour, directors would effectively lose the protection of limited liability. The hon. Gentleman must agree that that is a step in the right direction.

The problems that have been identified, particularly in the Director General's home improvements report, can best be overcome by voluntary controls on the part of the industry and by greater care on the part of members of the public as these problems are increasingly brought to their attention and they become much more suspicious of guarantees.

As the hon. Gentleman will know, many people—including myself—have bought television sets and paid the extra £25 for a five-year guarantee, only to find that they have become responsible for insurance, having contracted with perhaps an authorised company that is not authorised in that line of insurance. I should add that that was before I took on my present responsibilities. That might be more luck than good thinking, but I had better put it on the record.

The hon. Gentleman will know from the letter that he has received from the Director General of Fair Trading that consumer guarantees are the subject of a discussion paper which was published in August last year. It makes preliminary recommendations that guarantees should be clear and comprehensive, have standard terminology, that, as will almost invariably be the case with construction guarantees, they are for more than one year and that they should take the form of a direct contract of insurance between the purchaser and an authorised insurer so that, in the event of the contractor's insolvency, the consumer will be protected. The consumer will be a party to the insurance contract. I am sure that is a desirable objective.

There are bound to be difficulties for some companies in obtaining insurance cover. That gives the consumer the opportunity to test the company with which he is proposing to do business. There is nothing wrong with that. The trade associations might have some supporting authority or insurance companies might make it clear that a scheme is approved. That could provide real protection. I should encourage the industry to consider such schemes as the Director General is developing.

It is argued that home improvement grants should be linked to long-term guarantees. However, only about 10 per cent. of home improvement and repair work involves home improvement grants. Of some £8 billion-worth of work carried out last year in repairs, maintenance and improvements, only £900 million was given in grant. Therefore, linking the grant with consumer protection would leave the vast bulk of home improvement work unaffected. I understand the hon. Gentleman's reasons for advancing that argument, but that approach would not tackle the scale of the problem.

During the past year, the Government have been carrying out a thorough review of private sector housing improvement policies, including the home improvement grant system. We hope to publish our proposals shortly in the form of a consultation document. The question of guarantee or warranty schemes, and their application to home improvement work, will be covered.

The aim is, in due course, to introduce legislation to simplify the present grant system and to ensure that the money which is available for grants is spent where it is most needed and does good. We have considered measures to ensure that work financed with the aid of a grant is carried out by reliable contractors to a good standard. The hon. Gentleman will tell me to get into that and define a reliable contractor. He is one who is properly and adequately insured——

The Question having been proposed after Ten o'clock on Wednesday evening and the debate having continued for half an hour. Mr. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at thirteen minutes past Three o'clock.

House of Commons

Thursday 17 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Surplus Grain

1. **Mr. Barron** asked the Minister of Agriculture, Fisheries and Food how much of the EEC surplus grain is held in the United Kingdom.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John MacGregor): Some 11·9 million tonnes of cereals were held in intervention in the European Community on 4 January 1985, the latest date for which figures are available. Of this, 2·9 million tonnes were in the United Kingdom.

Mr. Barron: Does the Minister agree that it costs more to keep grain in Britain and the EEC than to give it to the northern region of Africa, to countries such as Ethiopia and to many others in that region, many of which are in dire need of that grain at present, and that to give that grain away is not only economic but humanitarian? What do the Government intend to do about the present need in that area?

Mr. MacGregor: Unfortunately, I cannot agree that the economic cost works out quite as the hon. Gentleman suggests. It is more expensive. Nevertheless, I share his humanitarian objective. The United Kingdom Government are playing a major and leading part within the EC in the export of grain as emergency food aid. Substantial quantities of grain are supplied by the EC and the United Kingdom as food aid. The hon. Gentleman will know that the European Council meeting in Dublin agreed to provide 1·2 million tonnes of grain to the African countries before the next harvest, on top of substantial amounts that have already gone out this year.

Mr. Leigh: Does my hon. Friend agree that cereal farmers need more certainty and that either we should get the grain out of intervention by more restitution and export credits, particularly to the eastern bloc, or, failing that, that farmers should be told that we now have a low input and output economy for cereals and that over the next five years there will have to be a cut in real prices?

Mr. MacGregor: As my hon. Friend will know, we are exporting considerable quantities of grain. Indeed, exports of grain on the open market are cheaper than exports of grain in intervention. Therefore, there are limits to the extent to which one can increase export restitutions. But my hon. Friend is right to be concerned about the surplus and its cost. Everything that has happened this year supports the Government's objective in the forthcoming price review of severe restraint on prices, coupled with the full application of the guarantee threshold, which will have something of the effect that he suggests.

Mr. Geraint Howells: Has the Minister any plans to persuade his counterparts in Europe of the need to change the intervention system within the Community in the next few years?

Mr. MacGregor: The most important thing that we can do, in order to get down the potential cost of the surpluses that we now have that could go into intervention, is to have restraint on cereal prices. Most of the other suggestions, which are not on the table for negotiation in the Community, such as quotas, are impracticable and would be wrong. The right objective is to tackle the problem through restraint on support prices.

Mr. Ralph Howell: Does my hon. Friend agree that that is precisely what we were doing and what was being advocated before the milk crisis burst and quotas had to be imposed? Are we not going down exactly the same road as before?

Mr. MacGregor: If the policy on milk prices that I have been advocating had been adopted, we might have avoided quotas. We made a significant difference in the price review last year in a variety of ways, which effectively brought cereal prices down in real terms, and we must build on that.

Mr. John: Does the Minister agree that the figures that he has given represent a rise of a third in the grain in intervention in the past year? Does he further agree that if we are to consider a cut in the price of grain—what he calls price restraint—3·1 per cent. is unlikely to take any grain farmer out of the production of grain? Should he not press for a higher figure as a real cut to signal to farmers—in the words of his hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh)—that there is a different situation and they will have to cut the production of grain in Britain?

Mr. MacGregor: We should certainly recognise that the amounts in intervention have gone up. To a considerable extent that is a feature of a remarkable harvest last year, for which we should pay great tribute to our farmers in the Community. Nevertheless, the price in real terms has come down quite a bit in the past year. We are arguing for price restraint, which will continue that policy. We should like it to continue for more than one year. I think that that will have its effect.

Abattoirs

2. **Mr. Greenway** asked the Minister of Agriculture, Fisheries and Food if he will state the names and location of abattoirs in the United Kingdom which are European Economic Community approved for the slaughter of equines; and if he will make a statement.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): There are five such abattoirs. I shall write to my hon. Friend.

Mr. Greenway: I look forward to receiving the letter. Is it not obvious that, with so few and such widely

dispersed abattoirs approved for the slaughter of equines, horses and ponies are being driven long distances, often for days and, it is reported, frequently without water, exercise or feed on the way to slaughter? Is that not disgraceful? Will my hon. Friend urgently look into the transport of horses and ponies to slaughter and the ability of local authorities to monitor their welfare on the way, because under present legislation it is virtually impossible to do so as so many of them are involved?

Mrs. Fenner: I assure my hon. Friend that the welfare of animals is protected by comprehensive legislation. I have drawn to his attention before the fact that this is enforced by local authorities. Every local authority must, by law, appoint inspectors to enforce the transit legislation in its area. Those who see a potential welfare offence should report it immediately to the authority in that area. There may be scope for action by those authorities at loading or unloading points. I understand that the Farm Animal Welfare Council will be reviewing future activities and may wish to note my hon. Friend's comment about any future programme of investigation.

Mr. Campbell-Savours: Is it not fair to say that cuts in local government budgets imposed by the Government restrict the ability of local authorities to monitor in the way that the Minister has suggested? Is it not nonsense to come to the Dispatch Box and say that the public interest and the interests of animals are safeguarded when everyone knows that it is patently true that the Government are preventing local authorities from carrying out their duties?

Mrs. Fenner: No, that is not true. The hon. Gentleman cannot claim that any public expenditure cuts cover the whole range. Local authorities have the duty to carry out this enforcement, as they have a number of other duties.

Milk Producers

4. **Mr. Colvin** asked the Minister of Agriculture, Fisheries and Food when he next plans to meet the president of the National Farmers Union to discuss the problems of milk producers.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): I have frequent meetings with the president of the National Farmers Union, at which a wide range of subjects are discussed, including the problems of milk producers.

Mr. Colvin: I am pleased to hear that my right hon. Friend has these meetings. Next time he meets the president, will he be prepared to discuss the maketing of quotas, by sale or by lease, so that next time he goes to Brussels for price fixing negotiations with our European partners we have firm proposals to put before them? As it seems, from estimates, that this country is likely to be the only one within its quota by the end of the year, are there not strong arguments for this country proceeding with its own scheme for the marketing of quotas, whatever our European partners may do?

Mr. Jopling: I should not be so bold as to say that this country will be the only one within quotas by the end of the year, but I agree that there are strong arguments for greater mobility of quotas. Precisely how this should be achieved is the subject of detailed discussions which my Department is having with the milk industry, to which my hon. Friend the Minister of State referred last week. I shall certainly discuss this fully with the president of the NFU when I next meet him.

Mr. J. Enoch Powell: Has the Minister made any real progress in arrangements for making quotas surplus in one region available to other regions?

Mr. Jopling: The right hon. Gentleman has no doubt spotted in the press that the Commission made proposals on Monday of this week which suggest that it is possible to make exchanges in this way between regions of a country. I ascertained from the commissioner that this was intended to embrace two regions of the country where one region is on formula A and the other is on formula B. The signs are hopeful, but I must stress that the arrangements are not yet finalised. We shall be returning to this in February.

Mr. Latham: Before the first anniversary of the quotas, does my right hon. Friend expect to have sorted out all the bureaucratic hassles?

Mr. Jopling: I would be a great optimist if I thought that we had sorted out all the bureaucratic hassles. As I warned the House before we embarked on the matter, it was inevitable that such a situation would arise. I pay tribute to the commissioner, so soon after taking up his post, for having suggested a number of alterations to the scheme, some of which will, I hope, be of great assistance to this country.

Mr. Torney: When the Minister next meets the president of the National Farmers Union, will he also remember and consider the problems that face both the farm worker and the dairy distributive worker because of the milk quota system? Will he take action on those problems?

Mr. Jopling: The hon. Gentleman has referred to this problem frequently in the past few months. We can find relatively few examples of redundancies among farm workers, but, as the hon. Gentleman and I both know, there are many redundancies in the milk processing industry. However, the Milk Marketing Board, for instance, has a redundancy scheme that is significantly better than the basic state scheme.

Mr. Harris: Has my right hon. Friend had an opportunity to re-read the report of our debate last week on the outgoers scheme? If so, will he now agree to an increase in the sum of £15 million allocated to that scheme, so that more quotas can be redistributed to needy cases?

Mr. Jopling: The amount allocated to the scheme is £50 million, not £15 million. I am afraid that I have nothing to add to the guidance that I gave to the House last week when I said that the Government had no intention of increasing the amount of money available.

Mr. Home Robertson: When the Minister next meets the president of the NFU, will he apologise not only to the NFU but to all those employed in the dairy industry for his ham-fisted approach to the imposition of quotas, which has led to turmoil in the industry and—because the cut in production has been 43 per cent. greater than was agreed by the Minister in his sell-out last March — to the ludicrous result of a milk shortage?

Mr. Jopling: As a farmer, the hon. Gentleman should remember, before he produces such ingenious statistics,

that there was a drought last summer. That was the principal reason why the reduction in production in this country was greater than in any other.

Cereals

5. **Mr. Fallon** asked the Minister of Agriculture, Fisheries and Food what were the totals of cereal exports to third countries in the 12 months to June 1984.

Mr. MacGregor: In the year ending June 1984 the United Kingdom exported 1 million tonnes of wheat and 1·2 million tonnes of barley to third countries. In addition, some of the grain exported to other Community member states will then have been exported outside the Community.

Mr. Fallon: Is my hon. Friend satisfied with the present level of export credit guarantees? Does he agree that there is a need to take all possible steps to get the grain out of intervention—out of the huge stores—and into the hands of those who want to purchase it at reasonable prices?

Mr. MacGregor: Of course we wish to export as much as we can. We have had great success with our exports this year. There has been a doubling of wheat exports, and a near-doubling in barley exports, not just to third countries, but overall. Of course, there is still a considerable way to go. Most of the wheat comes not from intervention but direct from the open market, because open market prices are lower than intervention prices.

My hon. Friend will have welcomed the Government's announcement on 3 December of improved arrangements specifically for export credits for cereals. However, we have to take account of the wider economic considerations applying to the Export Credits Guarantee Department. I would have expected my hon. Friend strongly to support me on this. He must remember that a large proportion of our exports goes to countries which pay in cash and do not want credit.

Mr. Bellingham: Is my hon. Friend aware that many grain merchants cannot get export credits for the lucrative grain markets of Algeria, Tunisia and Morocco in north Africa, where we are losing out badly to the French?

Mr. MacGregor: Bearing in mind the constraints imposed by, for instance, the credit-worthiness of the countries concerned, we have improved the export credit arrangements for such markets.

Mr. John: Will the Minister recognise that it is better for grain to be used usefully, at whatever price, than to rot in stores? How much of the 12 million tonnes currently in intervention will be used, and how much of it will simply rot?

Mr. MacGregor: I entirely agree that the grain should be used. We have substantial surpluses this year and we are fighting in world export markets, where there is also a surplus. The hon. Gentleman should recognise that there are considerable quantities of grain which we must still export or dispose of in other ways but which are not in intervention. All of that points to the correctness of our policies directed at trying to get overall support prices down. I am sure that we have the hon. Gentleman's support in that, as it would enable more consumers to use the product.

6. **Mr. Ralph Howell** asked the Minister of Agriculture, Fisheries and Food what is the current level of imports of cereal substitutes into the United Kingdom from third countries.

Mr. MacGregor: United Kingdom imports from third countries of the products generally referred to as cereal substitutes totalled just under 700,000 tonnes for the period January to September 1984.

Mr. Howell: Can my hon. Friend list the principal cereal substitutes which are imported and give some idea of the price at which they enter the United Kingdom and the European Community, as paid by the compounder? Will he consider bringing them into a levy system so that they come within the cereal regime?

Mr. MacGregor: I have the list in front of me. The principal ones are perhaps manioc and maize gluten feed, followed by brewing and distilling dregs and citrus fruit waste. It would probably be better if my hon. Friend tabled a detailed question on that matter and on prices so that I can ensure that full information is given. As to further methods of controlling imports of substitutes, we must consider our livestock producers who would find feedstuffs expensive without the impact of cheaper imports on feed compounders. Technically, we sometimes need those imports for feed compounds. We must also have regard to the dangers of incurring further trade wars in Third world markets.

Mr. Deakins: Will the Minister do his best to ensure that we do not do anything like putting a levy on cereal substitutes imported into the EEC, as most of them come from Third world countries which have already been hard hit by other agricultural export practices of the EEC? That is one way in which we can do our best to help them.

Mr. MacGregor: We have resisted, and will continue to resist, pressure for such controls. However, the hon. Gentleman will know that we have had to agree to engage in discussions with the United States, whence many substitutes come, on maize gluten feed. We believe that it is right to resist the overall approach of heavily controlling imports.

Mr. Andy Stewart: In view of my hon. Friend's answer, is there not a case for the ingredients to be listed on the compounds which are sold to farmers?

Mr. MacGregor: Answering off the top of my head, I suspect that it would be extremely difficult to do that, as feed compounders vary the mixtures substantially. I am not sure that such lists would be useful information for many people who buy the feed compounds. It is important to stress that, as part of the policy aimed at getting a better balance between cereals and livestock, we should not over-restrict the capacity of the livestock sector to get its feed compounds cheaply.

Wheat

8. **Mr. Home Robertson** asked the Minister of Agriculture, Fisheries and Food if he will estimate what tonnage of wheat is likely to be carried over in United Kingdom intervention stores from the current year into the 1985-86 crop year.

Mr. MacGregor: There were 2·3 million tonnes of wheat in intervention in the United Kingdom on 16

January 1985 and a further 200,000 tonnes had been offered for intervention on that date. The quantity to be carried over into next season will depend on developments in the domestic and export markets, which it is not possible to forecast.

Mr. Home Robertson: Is the Minister aware that reliable sources have recently forecast that there could be a carry-over of 8 million tonnes of wheat into the next crop year in the European Community, including about 3 million tonnes in the United Kingdom? What is the point of spending up to £60 million on keeping that portion of 1984's bumper harvest in store, apparently indefinitely? Is there not an overwhelming case for shifting most of that surplus wheat to famine areas as soon as possible?

Mr. MacGregor: As I have said, it is difficult to be certain at this stage about the forecasts. However, I have not disguised the fact that we are likely to have surpluses. Within the Community we have already committed ourselves to sending 1·2 million tonnes in this marketing year to Ethiopia and the other drought-stricken countries. That is a major contribution, and a sign that the Government are doing all that they can to make use of the cereals surplus in that direction.

Sir Peter Mills: Would not my hon. Friend be wiser to express that tonnage in store in terms of weeks' supplies, so that we knew exactly what we had in this country? In the past there have been serious difficulties for the consumer when we have run out. Of course overseas aid is right and proper, and this country—in particular British farmers—has been extremely generous in giving aid in the form of cereals to those in need.

Mr. MacGregor: I agree with everything that my hon. Friend has said. Indeed, the NFU's "Send a million tonnes of wheat to Africa" campaign is to be warmly welcomed.

With regard to my hon. Friend's first point, it is certainly true that surpluses can erode quite rapidly in very bad years. Nevertheless, we face a substantial surplus this year. The important point about food aid or any cereal exports is that it is cheaper to export direct from the open market than through intervention. That is a very important point in connection with our policy on intervention.

Mr. Weetch: Does the Minister realise that the annual review of agriculture, published quite recently, showed that wheat farmers—many of whom are to be found in East Anglia—had a substantial rise in income, which was well above 20 per cent., while they produced uncontrolled surpluses? Does he realise that those two things together do not make any economic sense? What steps is the hon. Gentleman taking to restore a balance in the grain market? Does he recognise that such uncontrolled expansion in East Anglia is leading to serious environmental problems?

Mr. MacGregor: I believe that we are getting on top of the environmental problems. I hope that the hon. Gentleman will also pay tribute to the efforts of farmers, because most of the increases have resulted from productivity and technological improvements. It has been a great success story for the United Kingdom that, during the past 10 years, it has moved from being a major importer of cereals to being a major exporter. It is only right to pay tribute to that and to comment on its importance for the British economy. In real terms, the recently announced farm incomes remain about 8 per cent. below the 1982 level, while cereal prices are below what they were when we entered the Community. However, all that the hon. Gentleman says supports the view of the British Government that we should have major restraints on cereal prices, supported by the full application of the guaranteed thresholds. That is how we want to tackle it.

Mr. Maclean: Will my hon. Friend note that in 1985 we need not apologise for the fact that this country has food surpluses? As we consider it economically sensible to have six months' supply of oil and 12 months' supply of coal against the present emergency, surely it is not to be deplored that we have three months' supply of meat or two months' supply of wheat in storage. Will he emphasise to the Britain housewife and to all the people in this country that food surpluses are essential and better than shortages, and that we could not feed the rest of the world if we did not create surpluses?

Mr. MacGregor: I have already paid tribute to our cereal farmers. I am sure my hon. Friend will agree that it is a notable achievement, and much to be welcomed, that our self-sufficiency in the products that we grow has increased from 59 per cent. about 10 years ago to more than 80 per cent. today. I can just imagine what questions I would face if this country had a major deficiency in cereals, if prices soared and if the effect on the consumer was the opposite of what it is because of our success.

Milk Quotas

9. **Mr. Heathcoat-Amory** asked the Minister of Agriculture, Fisheries and Food if he has plans to allow interchange between direct sellers and wholesalers under the milk quota scheme.

Mr. Jopling: Complete interchangeability is not permitted by the existing Community legislation. I have been pressing strongly for this at meetings in Brussels for some time, and this week the Commission put forward proposals which go some way towards meeting our needs. I shall now seek certain improvements on the proposals. In the meantime, I have introduced arrangements whereby a producer who has more wholesale quota than he needs but not enough direct sales quota, or vice versa, can apply to the Milk Marketing Board to exchange quota with a producer in the opposite position.

Mr. Heathcoat-Amory: I thank my right hon. Friend for his reply and for his evident concern about the matter. Is he aware that many direct sellers are facing superlevy payments, not because they are producing too much milk, but because they are selling too much milk to the public? Does he agree that regulations designed to prevent cheating in Italy and elsewhere are having a damaging and perverse effect on the British market?

Mr. Jopling: I am aware of those problems, which is why I have been raising this issue in the Agriculture Council since July, and why I was especially glad when the Commission appeared to be making some moves earlier this week to assist us in this manner.

Mr. Wigley: Given the right of a producer who owns two holdings simultaneously to transfer a quota from one to another, what safeguards are there to stop producers, wholesalers or large companies from buying quotas, to the detriment of whole areas that may be in a disadvantageous position?

Mr. Jopling: The hon. Gentleman's question is rather wide of the original question, which related to interchange of direct and wholesale quotas. However, I shall try to answer his question. If the hon. Gentleman reads the regulations, he will see that the quota is attached to the land and that the principal way in which it can pass from one person to another is if the ownership or tenancy of the land changes.

Mr. Douglas Hogg: Does my right hon. Friend accept that because a direct seller can sell only what he produces, and produces only what he can sell, there is no merit in restricting him, and that the lifting of a restriction would not make a substantial increase in the surpluses? Will he, therefore, treat the removal of these quota restrictions as a major priority?

Mr. Jopling: I forgot to say that that has been my major priority since the summer. If I may correct my hon. Friend, the restriction makes no alteration to the total amount produced. An interchange would take place in a mixed business between one type and another type of quota, within an overall amount, which stays constant. I am extremely pleased that, at last, with the new Commission we have a little movement on that important matter.

Mr. Home Robertson: There is universal support for what the Minister seeks to do. Will he explain precisely how and when the proposals to which he referred in his written reply to the hon. Member for Gainsborough and Horncastle (Mr. Leigh) will be implemented?

Mr. Jopling: The procedure which the Commission has proposed to deal with the matter is cumbersome, would only operate within a single 12-month period, and would have to be repeated each subsequent year. The details need to be examined carefully before we assume that it will be workable. The special committee on agriculture will consider this during the next few weeks. I hope that the matter will come back to the Council at its February meeting, and that we can settle it as soon as possible.

Agricultural Use Land

10. **Mr. Chapman** asked the Minister of Agriculture, Fisheries and Food what is his definition of productive agricultural use land; and if such a definition includes upland heaths and undrained fenlands.

Mrs. Fenner: Land is considered to be in productive agricultural use when it is being farmed. Large areas of upland heaths and lowland fens are used for livestock grazing.

Mr. Chapman: Land use statistics are gathered by the Department of the Environment and show, broadly speaking, that during the last 35 years we have lost a quarter of our upland heaths and that more than half of our fenlands have been drained. Does my hon. Friend agree that liaison between her Department and the Department of the Environment is essential if we are to strike a sensible balance between the needs of agriculture and conservation of the countryside? While I welcome the setting up of the environment co-ordination unit in her Department for just such a purpose, but will she assure the House that the co-ordination and liaising will be at ministerial as well as official level?

Mrs. Fenner: My hon. Friend will be aware that the Wildlife and Countryside Act 1981 took account of anxiety about natural habitat and landscape change. There is close co-ordination between the Ministry of Agriculture, Fisheries and Food and the Department of the Environment. Regarding habitat and landscape, the Nature Conservancy Council and the Department of the Environment are funding projects on habitat and landscape change, and MAFF hopes to undertake a survey of trees and hedges on farms later this year. I know of my hon. Friend's particular interest in that part of country conservation.

Mr. Bill Walker: Does my hon. Friend agree that in the highlands of Scotland the land is used extensively for sheep farming, which is supported by the positive steps on conservation being taken by the Scottish National Farmers Union?

Mrs. Fenner: Yes. My right hon. Friend the Secretary of State for Scotland will be exercising the greatest care in considering the compatability of agriculture and conservation, as we do in the rest of the United Kingdom.

Meat Consumption

11. **Sir Peter Mills** asked the Minister of Agriculture, Fisheries and Food what discussions he has had with the chairman of the Meat Promotion Executive relating to trends in meat consumption in the United Kingdom.

Mr. MacGregor: None direct, although there is continuing close contact at ministerial and official level with the Meat and Livestock Commission, which has overall responsibility for meat promotion matters.

Sir Peter Mills: Does my hon. Friend agree that there has been a serious drop in meat consumption lately, and that the promotion of meat products and meat should be conducted strongly in the future? Does he also agree that it is a mistake to believe that convenience foods are cheaper than meat, such as shin beef, best end of lamb and other cheaper cuts which are of benefit to the consumer?

Mr. MacGregor: The overall consumption of meat is at about the same level as it was 10 years ago, but that hides the fact that there has been an increase in the consumption of white meat, especially poultry and pork, and frozen convenience meats. There has been a decline in the consumption of most carcase meats. My hon. Friend will know that considerable efforts go into the promotionn and marketing of meat, and I support those efforts. As to convenience foods, we must recognise that we are talking about consumer choice. Many consumers, especially the young, for a variety of reasons, buy convenience foods. That factor must be taken into account in the promotion of meat.

Mr. Kirkwood: Does the Minister accept that the programme being organised by Food from Britain has an important part to play in increasing the consumption of meat? Will he ensure that the £15 million grant for that organisation is continued if the sponsoring organisations continue to be reluctant to take over the funding?

Mr. MacGregor: I wholly support the efforts of Food from Britain, which are an important factor in promotion. The hon. Gentleman will know that that organisation is backed by substantial Government funds. Its programme will run for some time, and it would be premature to take

decisions now on the longer term. I hope that he also recognises that considerable funds, often from industry, are given for promotion through the Meat and Livestock Commission and the Meat Promotion Executive.

Sir Hector Monro: In relation to meat production, will my hon. Friend consider the annual review and agree that, although the statistics are obviously right, the narrative gives a false impression of the well-being of the livestock industry, which is not as healthy as the review seems to show?

Mr. MacGregor: Although some sectors of the intensive livestock industry did a little better last year than they did earlier, there has been a drop in income in other parts of the industry. I fully agree with my hon. Friend on that. I had hoped that the way in which we gave the figures had made that clear. There has been an increase, in farming terms generally, on 1983 levels, which means a reduction in real terms on 1982 levels. Within that, some sectors have done much worse than others.

Mr. Mark Hughes: In those discussions, will the Minister consider the possibility of a change in the carcase specification for premium payments which takes into account low fat meat for dietary purposes? Will he especially consider giving farmers a premium for Welsh lamb with a low fat content, rather than the reverse at present, where the more fat there is on a lamb, the more money the farmer gets per pound?

Mr. MacGregor: The hon. Gentleman will know that one recommendation by COMA to the Government has been along those lines. No decision has been taken, but the views of the industry and other organisations on the recommendation have been sought and are currently being considered. I expect to make an announcement shortly.

Milk Quotas

12. **Mr. Ashdown** asked the Minister of Agriculture, Fisheries and Food if he will consider the possibility of re-opening the file on milk quota applicants who have accepted decisions handed down by his Department and from local panels and have subsequently discovered that different criteria have been applied for later decisions which could have enabled a successful appeal.

Mr. Jopling: The system allowing for appeals against departmental and local panel decisions was devised to minimise variations and to be as fair as possible. It is also important to let producers know their secondary quotas as quickly as possible. Now that the local panels have virtually completed their work and the time alloted for appeals to the tribunal is past, I do not think it would be right to ask them to go over the ground again.

Mr. Ashdown: Will the Minister reconsider that decision? He has said that he wishes to see justice done. Does he think that it is just that many farmers have accepted their quotas, without reference to appeal, on the basis of information given to them by his officials which has subsequently proved to be wrong? Is he aware, for instance, that one of his officials wrote to my local farmers on 4 November saying that cow variation numbers could not be taken as the basis of appeal, yet every subsequent appeal on that precise basis has been successful? Does he believe that that is fair or just?

Mr. Jopling: If the hon. Gentleman has a particular point that he would like us to consider, we shall do that. He should recall that the tribunal issued guidance to local panels on the criteria that were to be used in reaching decisions. It was recognised that, given the numbers involved, some variation in approach to different cases was inevitable. That is why the system of local panels with the right of appeal to the tribunal was devised.

Mr. Hayes: If my right hon. Friend wishes to see justice done, will he remember that there are a large number of producers who feel aggrieved that the quota runs with the land, rather than with the producer, particularly when the producer has built up the business personally without the help of the landowner?

Mr. Jopling: I am aware of that problem. It is a matter that is not appropriate to this question, but my hon. Friend will recall that we discussed it at considerable length in the House when I first announced the outgoers scheme last summer.

Rev. Martin Smyth: Is the Minister aware that there is unrest? In a reply to my right hon. Friend the Member for South Down (Mr. Powell) he referred to the fact that there was a proposal by the Commission for change. Could he be more forthcoming and tell the House wherein lies the problem so that we have to wait until February for a decision that could go a long way to ease the problem?

Mr. Jopling: I do not think that I can add anything. Again, this is a question that does not follow the main question. This was a proposal that was put before the Council on Monday. It was discussed on Tuesday. It was generally recognised that there were many complications which should be studied by the special committee on agriculture. I hope that it will get on with its work as quickly as possible and that it will be possible — I cannot guarantee it — to have a conclusive and final discussion about the matter at the February Council.

13. **Mr. Strang** asked the Minister of Agriculture, Fisheries and Food what estimates have been made on how European Economic Community milk production will compare with the aggregate quota for the current year; and what is the comparable position in the United Kingdom.

Mr. Jopling: On current trends, deliveries to dairies would be close to the wholesale quota at the end of the present marketing year, both in the United Kingdom and in the Community as a whole. However, I would obviously not wish to make precise forecasts at this stage.

Mr. Strang: Are we not in danger of getting the worst of all worlds? On the one hand, hundreds of jobs in the United Kingdom may be destroyed as a result of the cutbacks here, while, on the other, because the scheme is not working sufficiently effectively throughout the Community, we shall continue to make a disproportionate budget contribution towards the huge EC surplus.

Mr. Jopling: The hon. Gentleman may not have seen, but should study, what has already been done in other countries in the Community in getting production down to the quota for those countries. For instance, up to the end of December Germany had cut by 6 per cent. on last year, the Netherlands by 5 per cent., Denmark by 6 per cent. and Belgium by 5 per cent. Of course, the United Kingdom has cut by 8 per cent., largely because of the drought that we had last summer.

Farm Machinery

14. **Mr. Colin Shepherd** asked the Minister of Agriculture, Fisheries and Food when he will next meet the president of the United Kingdom Agricultural Engineers Association to discuss farm machinery sales prospects.

Mrs. Fenner: My right hon. Friend the Minister of Agriculture, Fisheries and Food met the president of the United Kingdom Agricultural Engineers Association to discuss farm machinery sales prospects on 30 October 1984. A further meeting has not been arranged.

Mr. Shepherd: Is my hon. Friend aware that considerable concern has been expressed within that sector of the agriculture industry because the changes in capital allowances, which will shortly come into effect, will have a distorting effect on machinery sales, which is likely to lead to a boom and then a bust? Will she bear in mind in her further discussions with the Treasury as well as with the Agricultural Engineers Association that this will not help the smaller farmers in the west and south-west who have suffered a squeeze?

Mrs. Fenner: I would accept that the necessary contraction in the dairy industry has caused farmers to postpone new plant investment. I believe that some may even have over-reacted. In recent years there has been a general contraction in the industry, due to rationalisation and import penetration. I do not agree with my hon. Friend's views about next year's opportunities in agricultural engineering. They are a little pessimistic.

Conservation

16. **Mr. Soames** asked the Minister of Agriculture, Fisheries and Food what progress his Department and the Agricultural Development Advisory Service have made towards further measures of conservation in agriculture.

Mrs. Fenner: My Department's aim will continue to be that of developing agricultural policies and encouraging farming practices which take due account of the desirability of conserving the countryside. As far as ADAS specifically is concerned, its contribution includes giving advice on conservation matters to individual farmers, promoting conservation awareness amongst farmers through exhibits and displays at agricultural shows and similar events, widespread participation in the farming and wildlife advisory groups and advising farmers and the statutory conservation agencies on the management of environmentally sensitive land.

Mr. Soames: I thank my hon. Friend for that commendably brief answer. Does she accept that many of my constituents are gravely concerned about conservation? Will she assure the House that everything possible will be done to ensure that farmers are given every facility to incorporate conservation measures in their future plans?

Mrs. Fenner: I earnestly assure my hon. Friend that all his points are uppermost in the mind of the Ministry. I am sure that they have been confirmed in practical terms by the setting up of the environmental co-ordination unit.

PRIME MINISTER

Engagements

Q1. **Mr. Winnick** asked the Prime Minister what are her official engagements for Thursday 17 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Winnick: When will the Government act over the suffering and misery of so many elderly people who simply do not have enough money to keep their homes adequately heated during the harsh winter? What sort of Government are they who last November reduced by £1 the heating allowance to the poorest pensioners, who are those between 70 and 85? Does the Prime Minister understand how many of those people have put their health seriously at risk by having insufficient money to keep their homes heated? Can we take it that the Government are concerned only with giving help to the rich and the prosperous?

The Prime Minister: The hon. Gentleman will be aware that the changes in heating allowance enabled it to be given to more pensioners, and that was welcome. I note that the hon. Gentleman is quick to ask questions about heating allowance, but he is equally quick to support a strike deliberately aimed at cutting off heating to old people.

Mr. Rhodes James: I ask my right hon. Friend a question with reference to the proposed commemoration of the 40th anniversary of the ending of the second world war. I remind her that the second world did not end in May 1945 and that tens of thousands of young people from this country and the Commonwealth, including members of my family, served and suffered in the campaign in the far east. If we commemorate the ending of the war, will it be said again that the 14th Army, which was the forgotten army, is to be forgotten once again?

The Prime Minister: We are very much aware of the victory in August 1945 in the war in the far east and of the important and brave part played by so many people in that war. We shall, of course, remember both occasions in the commemorations.

Mr. Kinnock: May I say, first, that I was glad to hear that last answer.

In view of the extremely cold weather — *[Interruption.]* Conservative Members think that cold is funny. In view of the very cold weather and the promise of worse to come, can the Prime Minister tell us whether she believes that pensioners in all parts of the country should have the same entitlement to severe weather payments? Does she not agree that there is something fundamentally wrong with the system, introduced by the Government in 1981, which forbids giving help to people who are freezing cold this winter simply on the ground that they live in areas which are very cold every winter? In view of the inconsistencies and injustices of the present system, will the Prime Minister give us an undertaking that she will quickly change that system?

The Prime Minister: I cannot give the right hon. Gentleman that undertaking. He will be aware that in

general heating allowances have gone up far more rapidly than the rate of inflation—something like 40 per cent. more than the increased cost of fuel—so that now some £400 million is spent on heating allowance of which £200 million goes to pensioners, so that is far better than anything previously. In addition, there is provision for single payments on the terms laid down in the order, which sets out a series of objective tests and leaves it to the chief adjudication officer. May I put it to the right hon. Gentleman that if he is really concerned he will tell the striking miners to go back to work so that we can have the future of heating assured, because people are out on strike to prevent heating from getting to old people and to industry.

Mr. Kinnock: Why does not the Prime Minister, just for once, answer the question on the subject raised?

On the subject of severe weather payments, does she not think that it is sensible to understand that bitter cold is bitter cold wherever it is felt, north, south, east or west? When her own Minister for Social Security can refer to the current arrangements as a "weird and wonderful construction", does she not think that there must be a better system of ensuring that those who have to endure very low temperatures on very low incomes should be helped, wherever they are? Will she please answer that question?

The Prime Minister: The single payments order, as the right hon. Gentleman knows, does give different temperatures. I understand that my right hon. Friend the Secretary of State for Social Services is looking into the matter, but for the time being the objective tests laid down there will continue. I hope that the right hon. Gentleman will now urge the coal miners to go back to work, for it is surely ridiculous to express sympathy but to support a strike deliberately aimed at making it cold for people in houses in bitter weather.

Mrs. Currie: Has my right hon. Friend noticed the allegations that *The Observer* has been paying large sums of money to encourage Whitehall leaks? Does she agree that leaks of this kind are frequently motivated, not by high-flown, but by misguided ideas of public information; nor, indeed, by baser party political motives, but by the oldest motive of all, greed on the part of both the newspaper and its informants?

The Prime Minister: Whatever the reason for leaks and whichever Government are in power, no Government can carry on effectively unless they can rely on the trust and confidence of those who work in the Civil Service, and in the overwhelming number of cases they can rely upon that trust and confidence.

Mr. J. Enoch Powell: In reflecting upon the commemoration, which has wide public support, of victory in Europe, will the Prime Minister direct her mind to the best way in which, in the framework of that commemoration, there can be a place for the representation of the Russian people, whose sufferings, whose fortitude and whose valour made our own survival and our victory possible?

The Prime Minister: Yes, I shall of course bear that factor in mind. What we are planning is a commemoration in this country, but of course there will be many representatives in the country whom we shall expect, either as high commissioners or as ambassadors, to attend that commemoration.

Q2. **Mr. Dixon** asked the Prime Minister if she will list her official engagements for Thursday 17 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Dixon: Is the right hon. Lady aware that the last shipyard in my constituency closes next month, that the last steel plant in my constituency closes at the end of the year, that the last pit in my constituency closed two years ago, and that one in three men in my constituency are out of work? When she ponders on the VE celebrations, will she bear in mind the fact that her Government's policies between 1979 and 1985 have stopped more industries than Hitler's bombers? What new year's message of hope has she for the 7,852 people in the Jarrow constituency who are out of work?

The Prime Minister: I am aware of what the hon. Gentleman says about the shipyards in his constituency. We naturally appreciate his anxiety about the future of the yards. The Government stand ready to help in the usual way to secure any viable order prospects put forward by British Shipbuilders, but we cannot create orders where they do not exist.

Q3. **Mr. Freeman** asked the Prime Minister if she will list her official engagements for Thursday 17 January.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Freeman: Is my right hon. Friend aware that two major unions representing the electricians and the engineers have decided to defy the TUC and apply for public cash assistance for secret ballots? Will the Prime Minister encourage other unions to follow that sensible and pragmatic decision?

The Prime Minister: I noticed that decision. It is welcome. The provision is made for people to have postal ballots to enable them more easily to express their democratic views on decisions by officials of their union.

Dr. Owen: If the Prime Minister wishes to give a constitutional safeguard to the people of the Falkland Islands, who are United Kingdom citizens, why does she not use the constitutionally proper form to do so by introducing a Bill in the House, as was done with the Northern Ireland Constitution Act 1973? Does the Prime Minister not recognise that this is a major issue of foreign policy which the House has not discussed, and that that runs counter to the recommendations of the Foreign Affairs Select Committee?

The Prime Minister: I understand that the right hon. Gentleman is talking about the discussions that we are now having with the Falkland Islands Council about its future constitution. The right hon. Gentleman looks angered that we have had them. He would have thought it strange had we made, or attempted to make, any decisions without fully consulting the people who are most deeply interested in their own future. Of course we have been consulting with them. When we have reached a conclusion, details of it will be placed in the Library for hon. Members. When the new constitution and texts are ready, they will be introduced by Orders in Council.—[HON. MEMBERS: "Why?"] Orders will be made under the British Settlements Act, which provides for such orders then to be laid before Parliament so that they are in accordance with the constitution of the House.

Q4. **Mr. Geoffrey Robinson** asked the Prime Minister if she will list her official engagements for Thursday 17 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Robinson: Does the Prime Minister recall my intervention in the Chancellor's speech on Tuesday, when I took the liberty to put to him the serious point that the deutschmark was not under threat and that interest rates in Germany had not been raised in panic action similar to that into which her Government have been forced? His reply was that the deutschmark had a lower level of inflation than the pound. Will she come clean with the House and admit that the principal difference is that we are now seen as a one-product economy due to the fact that we have had the devastation of our manufacturing base and a deficit on manufactures in the past year of over £5 billion? Will she come clean with the House and, more importantly, tell us what she is going to do about it?

The Prime Minister: The hon. Gentleman will be aware that oil constitutes about only 5 per cent. of the output of our economy, so no one should judge it a one-product economy. In regard to the deutschmark, I remind him that the Germans have been pursuing policies successfully to keep down inflation for many years and that it is now 2·5 per cent. They have also been pursuing policies to reduce public spending, and have cut their public spending in ways which I do not think would be acceptable to this House. They held up increasing pension provisions and managed to keep down their public sector pay for a long time, so much so that they are now able to have tax cuts. As the hon. Gentleman is talking about industry, he should remember that the Germans did not have the degree of restrictive practices and overmanning that we had for years.

Mr. Key: Will my right hon. Friend find time today to take note of the first report of the Historic Buildings and Monuments Commission for England and its important proposals for the development of Stonehenge as a major tourist site, and will she welcome that report?

The Prime Minister: I welcome most reports in that guise. I cannot promise to look at that report today, but I promise to look at it at some time, though not this week.

Mr. Barron: On a point of order, Mr. Speaker——

Mr. Speaker: Does it arise directly out of this question?

Mr. Barron: It arises out of Prime Minister's Question Time, Mr. Speaker, in that questions to the right hon. Lady began a few seconds before 3.17 as the result of a long answer that had previously been given by the Minister of Agriculture, Fisheries and Food. May we have 15 minutes of questions to the Prime Minister, and may I ask the right hon. Lady a question about the miners' dispute?

Mr. Speaker: Order. The point to which the hon. Gentleman refers did not take up a full minute; I was watching the clock as carefully as the hon. Gentleman. That is why I called the hon. Member for Salisbury (Mr. Key) to ask a question after 3.30 pm.

Business of the House

3.32 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House whether he will state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 21 JANUARY—Second Reading of the Hong Kong Bill.

Motion on the District Electoral Areas (Northern Ireland) Order.

TUESDAY 22 JANUARY — Debate on the Supplementary Estimate for the budget of the European Communities.

Second Reading of the Education (Corporal Punishment) Bill.

WEDNESDAY 23 JANUARY — Opposition Day (6th Allotted Day). Until about 7 o'clock there will be a debate on post office closures, on an Opposition motion.

Afterwards, motions on the Housing Support Grant (Scotland) Order, the Housing Support Grant (Variation) Order, and on the Housing Revenue Account Rate Fund Contribution Limits (Scotland) Order.

Proceedings on the Consolidated Fund (No. 2) Bill.

Motion on financial assistance to Opposition parties.

THURSDAY 24 JANUARY — Motions on the Rate Support Grant (Scotland) Order and on the Rating of Industry (Scotland) Order.

FRIDAY 25 JANUARY—Private Members' Bills.

MONDAY 28 JANUARY — Remaining stages of the Hong Kong Bill.

Mr. Kinnock: I thank the right hon. Gentleman for acceding to our request that the remaining stages of the Hong Kong Bill be taken on the Floor of the House.

When is it expected that the Government's expenditure White paper will be published? Will the right hon. Gentleman ensure that there is an early debate on that document?

We have been asking the Government for some time for a debate in their time on the threatened post office closure programme. As we have received no constructive reply, and as the matter is of great concern to rural and urban communities throughout the country, I hope that hon. Members on both sides of the House will note that we have decided to use our Opposition day to debate the matter next week.

Is the Leader of the House making arrangements to provide time in the House for the consideration of any legislation relating to surrogate parenthood? This is a matter of widespread interest on which a sign of the Government's attitude would be useful.

Mr. Biffen: On the last point, I acknowledge at once the very widespread interest aroused by the question of surrogate parenthood. The matter is still under very active consideration by the Government and the House will be informed of our decisions at the earliest possible moment.

In a sense of paternity, which I hope will not be misunderstood, I should say how much I appreciate the fact that we shall be able to have a debate on the post office issue in the terms that I have described with the co-operation of the Leader of the Opposition.

The expenditure White Paper will be published on 22 January and I very much hope that we can proceed to debate it in the normal manner.

Finally, I note the right hon. Gentleman's comments about the decision that the Hong Kong Bill should be debated on the Floor of the House. I am sure that a Bill of such significance deserves that treatment.

Mr. Andrew MacKay (Berkshire, East): Can my right hon. Friend say when we are likely to have a full day's debate on foreign affairs?

Mr. Biffen: I shall certainly bear the request in mind, but no provision has been made for that next week. I would not wish to mislead my hon. Friend that it would be that early, but clearly it will be appropriate at some point.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): In view of the Prime Minister's reply to my right hon. Friend the Member for Plymouth, Devonport (Dr. Owen) and as an Order in Council is not automatically debatable on the Floor of the House, will the Leader of the House give an assurance that there will be a full debate on any future changes in the constitution of the Falkland Islands? In particular, can he give an undertaking that there will be no loss of sovereignty of this House on the matter of our future relations with the democratic Government of Argentina?

Mr. Biffen: I thought that my right hon. Friend the Prime Minister answered most comprehensively the points raised by the right hon. Member for Plymouth, Devonport (Dr. Owen), but I will, of course, bear in mind the points that have just been made.

Mr. Jonathan Aitken (Thanet, South): Is my right hon. Friend aware that the position regarding the proposed constitutional changes for the Falkland Islands is highly unsatisfactory and causes anxiety among Conservative Members as well? Does he agree that it is quite wrong for changes such as the decision, apparently, to separate the administration of the Falklands from the South Sandwich Islands and South Georgia to be announced in the Falkland Islands without any reference to Parliament and then to be presented as a fait accompli in an Order in Council? Does he appreciate that that just will not do and will he arrange an early debate to discuss these measures?

Mr. Biffen: I am fully sensitive to the interest expressed by my hon. Friend. That is why I gave an answer of the character that I gave to the Leader of the Liberal party. Of course, these factors will be taken into account.

Mr. Tony Benn (Chesterfield): Is the right hon. Gentleman aware that tens of thousands of miners campaigning in defence of their communities have been denied social benefits for which they have paid during their working lives and are now quite unable to find the money to feed their families or keep them warm? Is he further aware that at no stage from the beginning of the dispute have the Government ever given their own time to account for themselves and that the decision to ban negotiations in the hope that cold and hunger will gain the Government a shallow political victory is vicious and utterly repugnant to the majority of people in this country?

Mr. Biffen: In my view, cold and hunger are the weapons seized upon not by the Government but rather by those people who have been promoting and sympathising

with the strike. No time has been provided in the business that I have announced, but clearly it is open to the right hon. Gentleman and others who wish to prosecute these matters before Parliament to take such opportunities as are available.

Mr. John Stokes (Halesowen and Stourbridge): Is my right hon. Friend aware that the whole country will be grateful to our right hon. Friend the Prime Minister for her decision with regard to the commemoration of the end of the last war? Following the intervention of the right hon. Member for South Down (Mr. Powell), will the Government recall that if foreign countries are to be invited they should include not only Soviet Russia but Poland and other allies? Secondly, if there is to be a service either at Westminster abbey or at St. Paul's cathedral, will the Government do their best, in the most tactful way, to ensure that the Church does not let the nation down?

Mr. Biffen: There is only one safe and prudent reply that I can make: I shall draw the attention of my right hon. Friend the Prime Minister to the points so thoughtfully made.

Mr. Eric S. Heffer (Liverpool, Walton): Has the right hon. Gentleman had early-day motion 266 drawn to his attention—"Those without shelter"?

[That this House is deeply concerned at the plight of those people without shelter or a roof over their heads at night at this time of intense cold and severe winter conditions; and calls on the Government to take emergency steps, in consultation with local authorities, to ensure that warm shelter and beds are provided for those in need by the taking over of buildings together with other emergency action such as the use of underground railway stations, &c.]

Is the right hon. Gentleman aware that thousands of people, in addition to our old-age pensioners, who are suffering because of the reduction in the heating allowance, have no shelter whatsoever? Are the Government prepared to allow tha appropriate Minister to come to the House, either tomorrow or on Monday, to state that the Government accept the motion and that they will take emergency steps to deal with the terrible problem of those who are without shelter? Secondly, responsibility for the continuation of the mining industry dispute rests with the Government. They should be prepared to try to settle the dispute at the earliest possible moment.

Mr. Biffen: On the first point made by the hon. Member, I shall draw his observations to the attention of my right hon. Friend for his decision on whether it would be appropriate for a statement to be made. On the second point of the hon. Member, I believe that the settlement concluded with NACODS provides a good framework for further discussions. One would welcome the clear and explicit commitment of the faction of the National Union of Mineworkers that is led by Mr. Scargill that they think likewise.

Mr. Robert Adley (Christchurch): Is my right hon. Friend aware that with railway investment by the Government at an all-time high and with no outstanding claims for investment by British Rail awaiting decision by the Government, many of those, particularly in the railway industry, who have the best interests of the railway industry at heart are astounded by the action that is being taken by a handful of people without a ballot? The words used a moment ago by the right hon. Member for Chesterfield (Mr. Benn) could be repeated to describe the action of these people. Is my right hon. Friend further aware that it was 10 years ago that I first mentioned the name of the man, Fullick, at Waterloo whose actions are totally deplored by ASLEF and NUM members throughout the rest of Southern region? Will my right hon. Friend therefore ask the Secretary of State for Transport whether he will be prepared to make an early statement if there are further repercussions next week from this strike?

Mr. Biffen: I shall certainly pass on that request to my right hon. Friend the Secretary of State for Transport. I agree with my hon. Friend that those who seek to make the British public pawns in their industrial dispute will at the end of the day reduce rather than enhance their prospects.

Mr. J. Enoch Powell (South Down): Can the right hon. Gentleman give an undertaking that it is not his intention to table business motions to curtail the time which would otherwise be available for debating the Supplementary Estimate or the Consolidated Fund Bill?

Mr. Biffen: I am grateful to the right hon. Gentleman for raising that point. It might be for the convenience of the House to have a structured debate of three hours on this topic. I shall give to the House an opportunity so to decide.

Mr. Eldon Griffiths (Bury St. Edmunds): In the context of the view of all parties in the House that our membership of the European Community does not mean that the European Parliament should interfere in our domestic affairs, has my right hon. Friend seen the decision of the European Parliament to conduct an inquiry into the policing of the current mining dispute? Will my right hon. Friend find an opportunity for Ministers to make clear in the House the view of Her Majesty's Government and, I believe, of all parties that this is no business of the European Parliament and that if there is to be an inquiry it will be conducted here?

Mr. Biffen: I believe that there is a very simple message for the European assembly at Strasbourg: "Keep off the grass".

Mr. Dave Nellist (Coventy, South-East): Is the Leader of the House aware that in the present severe weather it is estimated that 700 pensioners, both today and every day, will die from hypothermia while during the last 10 months his Government have spent £5,000 million of the wealth of this country upon the prosecution of a mining strike, money which could have saved the lives of those pensioners? Will the Leader of the House arrange for the Prime Minister to come to the Dispatch Box in Government time to answer the charge that the deaths of those pensioners should be set against the prosecution by the Government of the strike?

Mr. Biffen: I am sorry that the hon. Gentleman feels so distressed that the Government have not orchestrated a supine surrender to the demands of Mr. Scargill. That is precisely the reason for his discontent and the reason why I cannot take too seriously the claims that he is now making upon the time of the House next week.

Mr. Michael Latham (Rutland and Melton): Rather than wasting the time of the House next Tuesday with the Education (Corporal Punishment) Bill, which has little

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public support or support in the House, will my right hon. Friend instead arrange for us to discuss early-day motion 235 which deals with the deplorable attack on the leaders of the Jewish community by Mr. Ken Livingstone, which he has not yet withdrawn and for which he has not apologised?

[That this House takes note of the reported remarks of the Leader of the Greater London Council in an interview published in 'Davar' weekend magazine on 30th November 1984, in which he is quoted as saying 'The Board of Deputies of British Jews has in recent years been taken over by Jews who hold extreme right wing views . . . Besides, the big problem of the Board of Deputies has always been their soft and slow response to all forms of racism in this country . . . After Begin's emergence on to the political stage, suddenly the Jews became reactionaries, turned right nearly to be fascists. I realise that this is actually something that is occurring in many countries, not just Britain'; is horrified at this reported accusation by a prominent political figure of near fascism against the leaders of the Jewish community in Britain, whose distinguished President is a Labour Member of this House; and trusts that the Labour Party leaders will either ask Mr. Livingstone to apologise to the Jewish community or to explain if he believes himself to have been incorrectly reported.]

Mr. Biffen: I recognise the undoubted attraction for the House of debating the early-day motion to which my hon. Friend refers, but the Education (Corporal Punishment) Bill, which has been set down for debate on Tuesday, is an important piece of Government legislation which, I have to tell him, will be proceeded with.

Mr. Terry Fields (Liverpool, Broadgreen): Will the Leader of the House acknowledge the damage and dangers for which the Government are responsible as a result of their intransigence over the mining dispute and their interference in legitimate negotiations between the National Coal Board and the NUM? Will he also acknowledge that to a hell of a lot of people in Britain the Government are acting in a criminally insane manner with their despotic attitude towards miners and their families? When will the Government face up to their responsibility and discuss in their time the dispute and their interference in the negotiations?

Mr. Biffen: If there are guilty men in this matter, pre-eminently the guilty man is Mr. Arthur Scargill, who has damaged his industry, divided his union and wrought industrial havoc. Time will not be provided next week for a debate on the matter. If Labour Members are so determined and anxious to represent their parliamentary support for Mr. Arthur Scargill, let them find the occasion.

Mr. Tim Yeo (Suffolk, South): In view of the pace of change in the City of London and the shifts in ownership of leading members of the Stock Exchange, and in view of the absence from the Queen's Speech of any proposals to legislate on the basis of the Gower report, is it likely that time will be available for discussion of those important issues in the near future?

Mr. Biffen: I agree that those are important issues, but I regret that such are the pressures on Government time at the moment that it is not possible to feature them in the business for next week, or, I suspect, any time shortly thereafter. But I wish my hon. Friend every success in using his initiative in trying to bring the matter before the House.

Mr. Allen Adams (Paisley, North): Is the Minister aware that last week Babcock Power Ltd. at Renfrew announced 500 redundancies at its factory? Will he give time for a debate in the House in the foreseeable future on the future of the fuel and power industry, not only in Scotland but in Britain as a whole? I am sure that he will appreciate that those highly specialised jobs, once lost, are difficult to regain. Will he make representations to or remonstrate with some of his right hon. and hon. Friends in the Government to bring forward replacement power stations and parts of power stations? Unless that is done within the next two or three years we shall lose a valuable and important industry which we shall have great difficulty in replacing once lost. Will he consider arranging a debate on the fuel and power industry within the next two or three weeks?

Mr. Biffen: I recognise the serious problems that are raised for west Scotland and the hon. Gentleman's constituency by the redundancies to which he refers. I shall draw the attention of my relevant right hon. Friends to the importance that he attaches to increased investment in the power industries.

Mr. Patrick Cormack (Staffordshire, South): Will my right hon. Friend accept that it would be an error of judgment and entirely inappropriate for hon. Members to be Whipped on the Education (Corporal Punishment) Bill?

Mr. Biffen: Happily, those are arrangements which fall without my responsibility.

Mr. Martin Redmond (Don Valley): Will the Leader of the House reconsider his previous answers and allow a debate in Government time on the dispute in the coal industry? The Government are fond of preaching democracy. Why do they not practice it and allow a debate in Government time on the subject?

Mr. Biffen: That matter is kept under constant review and no provision has been made for such a debate next week. I do not wish to mislead any Labour Member that it was a near-runner that did not quite make next week. If they are so anxious that the case for the faction of the mineworkers led by Mr. Scargill be further portrayed on the Floor of the House, they will have their opportunities.

Mr. Tony Favell (Stockport): In view of the fact that the House has recently debated wildlife in Northern Ireland and scented erasers, will my right hon. Friend accept that the country finds it difficult to understand why time should not be allowed to debate the demise of the pound note? Will my right hon. Friend give time to debate the country's coinage, as this affects the life of every person in the country?

Mr. Biffen: I shall bear my hon. Friend's proposition in mind, but I should have thought that this was the sort of subject that my hon. Friend might be prepared to chance his luck with on an Adjournment debate.

Mr. Frank Cook (Stockton, North): Does the Leader of the House realise that the Department of the Environment failed to honour its commitment to respond to a consultative document on the disposal of radioactive waste? It failed to keep to its timetable of a reply in

October and distracted attention from that failure by promising a statement by Christmas. Does the Leader of the House realise that it has failed to keep to that deadline as well? I get the impression that it will delay this as long as possible. Does the right hon. Gentleman realise how anxious my constituents are, and will he seek to allay that anxiety by pressing the Secretary of State for the Environment to make a statement soon?

Mr. Biffen: I realise the significance of this topic nationally and the great importance of it to the hon. Gentleman's costituency. I shall be in touch with my right hon. Friend the Secretary of State for the Environment to see how speedily we can have that statement.

Several Hon. Members *rose*——

Mr. Speaker: Order. I am always reluctant to curtail business questions, because they are a prime Back Bench opportunity. However, there is a very important debate to follow in which no fewer than 40 right hon. and hon. Members wish to take part. I shall allow questions to continue until 4 o'clock, and then we must finish.

Mr. Harry Greenway (Ealing, North): Does my right hon. Friend recall that my right hon. Friend the Secretary of State for Transport promised me as long ago as last Monday that he would consider asking the London Regional Transport authority to open underground stations for homeless people in London, and making similar arrangements in the rest of the country where there are not underground stations, for protection during this bitterly cold weather? So far, nothing has happened. Is my right hon. Friend aware that today a firm has given 2,000 blankets towards the protection of those people and that many individuals are sending in gifts? The Salvation Army is prepared to provide free of charge staff to supervise people at one station. Could this matter be looked at urgently today?

Mr. Biffen: I realise that this is a serious matter, and I shall do what I can to assist my hon. Friend.

Mrs. Renée Short (Wolverhampton, North-East): In view of the massive law-breaking by private cleaning firms contracted to NHS hospitals — a fact that was exposed on BBC television last night—can the Leader of the House give an opportunity for the issue of privatisation in the NHS to be debated? Will he take immediate steps to ensure that this illegal practice of employing young people under school leaving age at murderously low rates of pay is ended forthwith, as this is a major scandal?

Mr. Biffen: I cannot promise the debating facility requested by the hon. Member, but I shall draw the attention of my right hon. Friend the Secretary of State for Social Services to the serious points that she makes.

Mr. Eric Forth (Mid-Worcestershire): Can my right hon. Friend confirm that the debate next Tuesday on the EEC Supplementary Estimate is the one that will allow us to plug the gap between the EEC'S budget and required expenditure for last year? Will he also confirm what has already been stated, that the major request by the Government to the House to increase the level of resources of the EEC will not be brought before the House until the completion of the enlargement of the Community negotiations?

Mr. Biffen: The second point can be elaborated on in next week's debate. My hon. Friend's first point concerns the £190 million which was the separate Estimate that now lies on the Order Paper in the name of my right hon. and learned Friend the Foreign Secretary.

Mr. Robert Parry (Liverpool, Riverside): Will the Leader of the House reconsider his decision not to call an emergency debate on the mining dispute? I speak as Chairman of and on behalf of the Merseyside group of Labour Members, and I think that I speak for most, if not all, of my colleagues in demanding such a debate. Merseyside has lost nearly 100,000 jobs since 1979. All five Liverpool Labour hon. Members support the miners in their battle to save communities and jobs.

Mr. Biffen: That may be so. However, there is an alternative view of the dispute, which is that sound judgment and sense lie with the miners who are working rather than with those who are on strike.

Mr. Peter Bruinvels (Leicester, East): Has my right hon. Friend seen early-day motion 260, in my name, about the vile practice of commercial surrogate motherhood agencies?

[That this House deplores the introduction into this country of surrogate motherhood; hereby condemns such activities as unnatural and immoral; and calls upon the Secretary of State for Social Services to introduce immediate legislation to outlaw this unfortunate commercial practice in line with the Warnock Report recommendation.]

Is my right hon. Friend aware that at least four other surrogate babies are liable to be born within the next six months? Will he therefore, as a matter of urgency, arrange for my right hon. Friend the Secretary of State for Social Services to tell us when we may expect the legislation? As the Leader of the Opposition has also said, there is widespread concern throughout the country, cutting right across party lines.

Mr. Biffen: I take note of what my hon. Friend says, but I cannot add to the answer that I gave to the Leader of the Opposition.

Mr. Paddy Ashdown (Yeovil): The Leader of the House will recall that some weeks ago he undertook to consider the possibility of giving time for a discussion of the impact of the COCOM agreement before it came into effect. Has he reached any conclusions on the matter?

Mr. Biffen: No; but I will get in touch with the hon. Gentleman as soon as I can.

Mr. Nigel Spearing (Newham, South): While the House will realise that a business motion to suspend Standing Order No. 113 for the Consolidated Fund Bill debate on Wednesday may not be appropriate, does not the Leader of the House agree that a business motion in relation to the Supplementary Estimate, referred to in a previous answer, sets an unfortunate precedent? Will the right hon. Gentleman tell the House when that business motion will be debated?

Mr. Biffen: What is proposed is a reasonable device to enable the House to have a decent debate on the subject. It should appear on the Order Paper on Friday.

Mr. Ron Brown (Edinburgh, Leith): As the Government are guilty of the wrongful arrest and

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imprisonment of Mr. David Hamilton and other NUM activists, will the right hon. Gentleman ensure that there is an early debate about civil liberties in this country?

Mr. Biffen: I am sure that in any debate that we may have on the mining dispute the points raised by the hon. Gentleman will be covered. The question whether there has been a case of wrongful imprisonment will doubtless be a matter of judgment, but I take note of what the hon. Gentleman has said.

Mr. Hugh Brown (Glasgow, Provan): Will the right hon. Gentleman sympathetically consider any request to debate the Manpower Services Commission's proposals to close skillcentres? Will he ensure that the Secretary of State for Employment makes no decision on the matter until we have debated the subject, including the Select Committee's report?

Mr. Biffen: I will pass on the hon. Gentleman's point to my right hon. Friend the Secretary of State for Employment.

Mr. Ernie Roberts (Hackney, North and Stoke Newington): In view of the effect upon the pound and the economy of the mining strike caused by the Government, will the Government explain to the House why they are preventing proper negotiations from taking place between the National Coal Board and the miners? From time to time it is clearly stated in the press that the Prime Minister and the Government are responsible for holding up negotiations in the dispute.

Mr. Biffen: It is totally absurd to suggest that the Government are holding up any negotiations that might take place in the industry. If Mr. Scargill's faction within the NUM were to accept the basic principles of the NACODS agreement, further progress could be made.

Mr. Robert Hughes (Aberdeen, North): Notwithstanding the helpful meeting earlier today with the Minister for Social Security about the question of extra payments for fuel bills, has the right hon. Gentleman realised that the problems are extremely serious? Can we have a debate next week?

Secondly, last night, allegations were made in a BBC television programme that a certain cleaning company was employing 14-year-olds. May we be assured that full investigations will be carried out and that, if the allegations are proved, there will be prosecutions? May we also be assured that the Government will not be deflected from either investigation or prosecution simply because one Conservative Back Bencher has an involvement in the company?

Mr. Biffen: The hon. Gentleman's last few words did not raise the level of this exchange. I am quite sure that those who are responsible for taking prosecutions in these matters will have regard to the appropriate facts. As to the wider issue, I do not think that I can go beyond what I said to the hon. Member for Wolverhampton, North-East (Mrs. Short).

Mr. Martin Flannery (Sheffield, Hillsborough): Is not the fundamental problem that confronts all of us at the moment the mining strike? Is it not a fact that the Government's intransigence and their refusal to discuss the issue is lengthening the struggle? It has now reached the point at which a group of honourable people are struggling mightily for their right to have a reasonable job, but the Government will not discuss the matter. Should we not have a major debate on the strike?

Mr. Biffen: What really grieves the hon. Gentleman is the fact that working miners are every day and every week enhancing their position relative to the striking miners. I have already said that there is no question of the Government standing in the way of the resumption of negotiations. As to a debate, that is a matter to be considered from time to time.

Mr. Benn: On a point of order, Mr. Speaker. May I ask you to protect those of us who represent the miners' wives and families who are now suffering great hardship? When they go back to work, some working miners are put on cleaning police cars, as happened at Brodsworth colliery. The strike has now gone on for nearly one year. There has not been one debate in Government time in which Ministers have justified their position and there has not been a full day debate since 31 July. Many of us have been to you, Mr. Speaker, to try to get private notice questions and applications under Standing Order No. 10, but you have been tied by the Standing Orders. I ask you to consider that it is quite unacceptable to right hon. and hon. Members, who represent people who are now suffering great hardship, that the House should debate Hong Kong and corporal punishment next week and ignore the plight of those whom we represent and upon whose work the prosperity of the people of Britain has rested for many years.

Several Hon. Members *rose*——

Mr. Speaker: Order. The whole House accepts that I am not responsible for the organisation of business. The House will have heard what the Leader of the House has said—that there is an Opposition day virtually every week and that there are opportunities to discuss these issues. It is not a matter for me.

Mr. Heffer: On a point of order, Mr. Speaker. May I ask for your protection of all Back Benchers? Like you, Mr. Speaker, I have been here for many years and I have heard many demands from Back Benchers for a debate. On many occasions, the Government have at least given some indication that they will seriously consider Back Benchers' proposals, and a debate has been forthcoming. Today we have heard numerous right hon. and hon. Members asking for a debate next week, but we have had absolutely no sign from the Government that they are even contemplating such a debate. It is historically the case that the Chair protects the rights of Back Benchers. The request for a debate comes not solely from hon. Members who represent mining areas, but many other areas. We are all worried about the dispute. We want a settlement and we want to know the Government's stance. We want an honourable settlement. Will you, Mr. Speaker, put pressure on the Government seriously to consider the idea of a debate next week on the miners' strike?

Several Hon. Members *rose*——

Mr. Speaker: Order. I have already said that, in today's debate on regional policy, about 40 hon. Members wish to take part, so all of this takes time from them. The hon. Member for Liverpool, Walton (Mr. Heffer) is right: I do try to protect the interests of Back Benchers. However, he knows that I am not responsible for the

timetable and for what is discussed here. All I can do is to give Back Benchers an opportunity to ask questions, and that, I think the hon. Gentleman must accept, I have done today.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. Although I have taken account of what you have just said, Mr. Speaker, there is another area in which you have some responsibility. You will have heard the Leader of the House say today that, as near as dammit, we should use Supply time to have a debate. You will appreciate that has already been done. You will also have heard on Tuesday that Labour Members are not alone in talking about the massive costs of the strike, as an ex-Prime Minister—the right hon. Member for Old Bexley and Sidcup (Mr. Heath)—said that, around the world, most people are telling him that the escalating cost of the miners' strike is having an effect on the pound. Now I put it to you, Mr. Speaker—this is the point—that if it is right for the Leader of the House to say that we should use a Supply day because only Labour Members are interested, I suggest to the Leader of the House, through you, that he should use Government time, because some of us want to hear in more precise detail what the right hon. Member for Old Bexley and Sidcup had to say the other day.

On a further point of order, I have been to the Table Office. You are responsible for the Table Office, Mr. Speaker. We are having some difficulty because not only are the Government refusing to provide time for a debate —a matter over which you have very little control—

Mr. Speaker: I have none.

Mr. Skinner: No control, you say. That is a debatable point. In the Table Office, however, you have tremendous control. We are finding that it is blocking questions. For example, hon. Members have found that they cannot discover the estimated size of coal stocks after October, whereas previously we could. I want your help in that matter to enable us to table such questions.

Mr. Speaker: Order.

Mr. Skinner: I have not quite finished.

Mr. Speaker: Order. By raising points of order of this type, the hon. Gentleman is merely taking time out of an important debate. Others are likely to suffer as a result. Perhaps other hon. Members will note that, because I do not think that I can help them—*[Interruption.]* I am in the hands of the House. If the House wishes to take up time, that is a matter for the House. I cannot answer the hon. Gentleman's point of order. He says that questions are being blocked. If there is any question on which there is a query, that query is brought to my attention. None has been brought to my attention yet.

Mr. Skinner: That is why I am raising the matter now. I have been to the Table Office and——

Mr. Speaker: Order. Will the hon. Gentleman put his question to me succinctly? I shall then see what I can do.

Mr. Skinner: The questions are as follows. I want to know how much money has been spent on producing 1 tonne of coal during the strike—equivalent to £200 a tonne as opposed to £38 a tonne before the strike. I want the Government to tell me—they are refusing in the Table Office—whether they accept the point made by the stockbrokers that it is costing £86 million a week to finance this strike. That question is being refused. There are many other questions which affect the pound. I believe that the Table Office is blocking such questions because it is in cahoots with the Government. You, Mr. Speaker, being in charge of the House, have a responsibility to see to it that questions which are relevant to hon. Members, to miners and to all those people who are having to pay through the nose for the strike while watching the pound sink to the bottom of the Thames can be asked. Such people have a right to know the answers to those questions which the Government are not prepared to allow me to ask.

Several Hon. Members *rose*——

Mr. Speaker: Order. It might be quicker if I took all the points of order at once.

Mr. Mark Fisher (Stoke-on-Trent, Central): On a point of order, Mr. Speaker. Would you consider extending business questions today so that the Leader of the House might fully judge the weight of feeling on this side of the House about the important of discussing the need for negotiations to end the dispute? The Leader of the House is not a stupid man by any means, but he seems rather slow to take the point that many right hon. and hon. Members on both sides of the House believe that the dispute must end and that it can only end as a result of a negotiated settlement. The Government have a responsibility to make their view of such a negotiated settlement clear. They also have a responsibility to make it clear whether they will take positive steps to achieve it. That should be in Government time, because you——

Mr. Speaker: Order. The hon. Gentleman is being very unfair to the House. If there are any other hon. Members who are seeking to do the same thing, I should point out that they are being unfair to their colleagues if they take up time in what almost appears to be an operation and if they put questions to the Leader of the House through me. I cannot answer those questions. They are not a matter for me.

Mr. Terry Fields: Further to that point of order, Mr. Speaker. You always place great emphasis on the need to uphold the credibility of the House. But when people outside accuse the Government, and ultimately yourself and us, of crimes against humanity, we have a duty and responsibility—without in any way interfering in the negotiations—to discuss the strike. If the Government are frightened of doing so, perhaps you would intervene on our behalf to open up the issue so that we can have a fair discussion.

Mr. Max Madden (Bradford, West): We are in the midst of the most serious industrial dispute that the nation has witnessed for many years and the coldest weather that the country has experienced for more than 20 years. We are in the midst of an industrial dispute in which enormous questions have arisen about the way in which the law, including the Bail Act, has been operated, the behaviour and deployment of the police and the way in which many other matters arising from the dispute have been handled. For example, next week——

Mr. Speaker: Order. What is the point of order for me?

Mr. Madden: My point of order is that next week, for example, the Yorkshire power workers are considering whether to refuse oil supplies——

Mr. Speaker: Order. The hon. Gentleman is asking a hypothetical question.

Sir Kenneth Lewis (Stamford and Spalding): I speak for the whole House when I ask whether it is not an abuse of the House for Opposition Back Benchers to cover up for their Front Bench's failure to hold a debate on this subject. The shadow Leader of the House is sitting on the Opposition Front Bench saying nothing. He should be the one—*[Interruption.]*

Several Hon. Members *rose*——

Mr. Speaker: Order. I believe that this is an abuse of the House. I have made it plain that many hon. Members wish to take part in the subsequent debate, and I must say that in fairness to the whole House—I have a duty to be even handed—I am bound to have regard to the number of Opposition Members who are taking up time, and to give compensatory time in the subsequent debate to those who sit on the Government side. I shall so do.

Mr. D. N. Campbell-Savours (Workington): Mr. Speaker, may I ask you a question that relates directly to an area for which you have specific responsibility? I refer to the fact that if an application were made under Standing Order No. 10, you could grant us time. In so far as the country has been hit during the past few days by some very cold weather, which to some extent——

Mr. Speaker: Order. I cannot be held to be responsible for the cold weather.

Mr. Campbell-Savours: When an application is made under Standing Order No. 10, the hon. Member has to rise to his feet and point out why the debate should take place. He has to stress three principles, one of which concerns the urgency of the matter. Given the statement made the other day by a former Prime Minister, the right hon. Member for Old Bexley and Sidcup (Mr. Heath), to the effect that sterling was falling because of the Government's failure to intervene, that we are facing cold weather and that the drop in coal stocks may have some effect, there should be a debate on the strike. As the matter is urgent and arises from changing circumstances, you have the right to grant such a request. I am not asking you to go to the Leader of the House or to put any pressure on the Government, but rather to make a statement and decision yourself, as Speaker, and thus to protect our rights by allowing us that time for a debate.

Mr. Speaker: If I may say so, the hon. Gentleman could not have asked a more foolish question. He knows perfectly well the rules governing applications made under Standing Order No. 10. I have received no such applications today.

Mr. Kevin Barron (Rother Valley): Can you, Mr. Speaker, give us some advice about business questions? Business questions have now effectively gone on for 15 minutes more than you intended. I do not want to take time from the later debate, but I and many other hon. Members are bothered because we have never had any Government time in which to debate the miners' strike. Many thousands of miners and their families are on strike in my constituency. Although the Opposition have given us several days, I have been denied the opportunity by the Government to stand up on behalf of my constituents in order to discuss what is happening to them. We should lengthen business questions today so that hon. Members can ensure that the Leader of the House finds Government time for a debate on this subject, in which we can represent those whom we were elected to represent.

Mr. Speaker: The hon. Gentleman has sometimes not been backward in criticising the number of hon. Members who have been called in a debate. If such questions continue, he will have every reason to criticise again today. I am afraid that he will only cause his own side to suffer.

Mr. Brian Sedgemore (Hackney, South and Shoreditch): In the constitutional textbook that I was reading last night, it said that that was a major principle of the constitution that the House of Commons should discuss issues worrying the people. Today you, Mr. Speaker, and the Leader of the House appear to be saying that that is not so. Why?

Mr. Speaker: I said that I would take all the points of order together, but the hon. Gentleman has asked such a —I was going to say inadequate—question that I must deal with it at once. I say to the hon. Gentleman, and to those seeking to prolong what I think is an operation, that I am not responsible, as they know perfectly well, for the organisation of business. I am responsible for protecting Back Benchers' rights and interests, and that I have always sought to do, as I hope the House appreciates. But I repeat that such an operation merely takes time out of a very important debate to follow. More than 40 hon. Members have so far intimated their wish to speak in the debate on regional policy. Many of the issues being raised now could easily be raised in that debate. That being so, I propose to take one more point of order on this subject.

Mr. Flannery: Although I accept that there is a remote possibility that you, Mr. Speaker, are not responsible for the cold weather, will you not accept that voices are being raised about something that is even more important than the subsequent debate? We are asking you to do what you can to ensure that a full debate is held on the terrible question of the intractable problem of the miners' strike. Will you use your influence to try to ensure that there is a full-scale debate on that subject?

Several Hon. Members *rose*——

Mr. Speaker: Order. Of course, I have regard to the strong feelings held, but I am not responsible for the organisation of debates and I cannot do much about it. However, in calling hon. Members at Question Time and in debates I can give hon. Members an opportunity—I shall have regard to this later—to put their points of view. That is the way in which we do things in our democratic system. We do not seek to disrupt our procedures with points of order that appear to me to be an organised operation.

Mr. Heffer: I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing an important and specific matter that should have consideration, namely,

"the coal industry and the miners' dispute."

The matter is important because the entire country needs a statement from the Government giving the reasons why they are allowing the dispute to continue and trying to drive the miners back to work by starvation. The matter is urgent because of the extremely severe weather conditions and the effects of the dispute and the weather on the nation.

Thirdly, the matter is specific because the dispute relates to industrial action that the Government are deliberately allowing to continue.

The nation deserves an answer. It needs to hear the Government's case and the miners' case put by hon. Members in the House. The people should have an urgent debate to lay the basis for an early settlement of the dispute.

Mr. Speaker: I have allowed the hon. Gentleman to move an application under Standing Order No. 10 in the hope that it will enable us to proceed to the next business. The hon. Gentleman knows perfectly well that the rules governing Standing Order No. 10 lay down that a new development must have occurred and that notice should be given to me before 12 noon. The cold weather did not start just after 12 noon.

The hon. Gentleman knows that the only decision that I take on these matters is whether the Standing Order No. 10 application should take precedence over the business set down for the day. I listened carefully to what he said, but I regret that I do not consider the matter appropriate for discussion under Standing Order No. 10. I cannot, therefore, submit his application to the House.

Several Hon. Members *rose*——

Mr. Speaker: Order. I am not taking further points of order.

BILL PRESENTED

Prohibition of Female Circumcision

Mrs. Marion Roe, supported by Mrs. Ann Clwyd, Mr. David Crouch, Mr. Clement Freud, Ms. Jo Richardson and Mrs. Ann Winterton, presented a Bill to prohibit female circumcision: And the same was read the First time; and ordered to be read a Second time upon Friday 25 January and to be printed. [Bill 58.]

Several Hon. Members *rose*——

Mr. Speaker: Order. I am not taking further points of order on the mining dispute. We must now proceed to the debate.

Several Hon. Members *rose*——

Mr. Speaker: Order. I am on my feet.

Several Hon. Members *rose*——

Mr. Speaker: Order. This is extremely unruly behaviour. The hon. Members who are standing know that this is not the way in which we conduct our affairs in a democratic assembly. It is against all our traditions that hon. Members should seek to challenge the authority of the Speaker, whom they elected to keep order. I now ask the hon. Members who are standing to resume their seats. I repeat that I ask hon. Members who are standing to resume their seats.

Grave disorder having arisen in the House, Mr. Speaker, *pursuant to Standing Order No. 27 (Power of Mr. Speaker to adjourn House or suspend sitting), suspended the sitting for 20 minutes.*

Sitting suspended at 4.23 pm

4.43 pm

Mr. Speaker *resumed the Chair.*

Mr. Benn: With permission, Mr. Speaker, I should like to give notice that a substantial body of Members of the House are determined to secure a debate on the miners' dispute in Government time next week.

Regional Policy

Mr. Speaker: Before we proceed with this important debate on regional policy I should inform the House, in relation to it, that, because of the number of hon. Members who wish to speak, I intend to apply the time limit on speeches of 10 minutes agreed to by the House on 31 October last. On this occasion I shall apply the limit to hon. Members called between 6 o'clock and ten minutes to 8 o'clock and not between 7 o'clock and ten minutes to 9 o'clock as on previous occasions. The resolution of the House on 31 October authorised both these methods of limitation. It would be useful for the House to gain experience of how each method works.

4.44 pm

The Secretary of State for Trade and Industry (Mr. Norman Tebbit): I beg to move,

That this House takes note of the Government's statement on 28th November announcing changes in regional industrial incentives; welcomes the closer alignment of the new Assisted Areas map to areas' relative needs for increased employment opportunities; agrees that it is right at a time of high unemployment to relate assistance more directly to jobs; and notes with approval that the increased cost-effectiveness of regional assistance will enable the burden upon taxpayers to be substantially reduced.

Today's debate provides an opportunity for the House to give consideration and, I hope, approval to the changes in the thrust of regional policy—the change of emphasis away from automatic subsidy of capital expenditure towards incentives for employment—and the changes to ensure that our spending is undertaken in the areas that are most seriously afflicted by the combination of unemployment, industrial decline and structural change.

The new policy also does away with the unjustifiable discrimination against service industry, which now provides a growing proportion of jobs. None of these changes comes as a surprise to the House. They were foreshadowed in the White Paper "Regional Industrial Development" which was published in December 1983, debated to some extent during the passage of the Co-operative Development Agency and Industrial Development Act and set out in greater detail in the statement made by my hon. Friend the Minister of State on 28 November last year, together with the supporting documentation that was made available at that time. I shall, however, refer later to one aspect of the implementation of the policy which will be new to the House.

The House will recollect that the 1983 White Paper boldly faced up to the question of the justification of regional industrial incentives, regional policy for short, and concluded that there is no longer a clear-cut economic case for such a policy. I realise that that outrages the more conservative — with a small "c", I hasten to add — Socialists on the Opposition Benches, but I do not think they should become over-excited about it since we can, I believe, stand on the common ground of the justification of this policy primarily on social grounds. By that I mean that the Government accept the need to do what we can —and Government are not omnipotent in this matter— to reduce the imbalance between the prosperous and the most hard hit areas of Britain. There is, of course, a price tag, a cost, to such a policy and it would be foolish indeed to count only the benefit and not the cost, or vice versa.

Again, whatever views we might take about the scale of benefit or the cost that might be afforded, I hope we might, again, agree to stand on the common ground that the cost-benefit ratio should be as favourable as possible. There will be people who have to pay for this policy— the generality of taxpayers and, let it not be forgotten, also those whose businesses or jobs suffer subsidised competition; there will be people, too, who gain from the policy. I am sure we would agree that so far as possible the recipients should be in those areas that are most hard hit and that these should be established on sound criteria.

I hope, though it is only a hope, that one day we might agree that not every part of the kingdom can be a beneficiary area. In the White Paper we argued:

"The incentives must be made more cost effective . . . with greater emphasis on job creation and selectivity and less discrimination against service industry".

That major change won widespread support. Nor should that come as a surprise since examples abound of substantial grant payments that have been made as incentives to companies which would have located the investment in an assisted area in any event. In some cases those companies were themselves hardly pressed for cash and the investment produced few jobs, but the test, surely, for support for any project should be: what does it do for jobs, how many jobs and at what cost?

In some other cases, high rates of grant encouraged projects of marginal viability to concentrate in the assisted areas with the enhanced risk of multiple collapses during difficult times. Thus, past policies left the assisted areas particularly vulnerable during hard times. Perhaps, there is more than a little truth in the suggestion that major companies — not least multinationals — shopped around for the highest grant rates for their branch operations and that the assisted areas then suffered from the tendency for such companies to cut back on the more remote branches of their operations during recessions. At the same time, geographically mobile service industries which might have been attracted were denied incentives available to manufacturing industry to encourage their location in assisted areas.

I believe that these problems can be mitigated by the new policies. First, in most cases, the automatic grant will be related to jobs. The grant per job limit will avoid what one might call the Sullom Voe syndrome of high subsidy and disproportionately few long-term jobs. Even worse were the high automatic subsidies paid to investments which created no new jobs, or even reduced jobs, or merely shuffled jobs from one assisted area to another. Some have argued that automatic assistance should continue for job protection. I believe that that is best dealt with on a case-by-case basis.

In the past the abuses extended over a wide range. For example, a printing company could gain automatic RDG when it bought new plates to print a different book from the book it had been printing during the previous week. That was hardly related to job creation or even to job protection. Under our new policy, therefore, selective aid will continue to be available for the particularly desirable modernisation projects. Selective aid will also enable us to continue to compete effectively for internationally mobile projects.

The second major change is the fact that we have revised the geographical coverage of the assisted areas and moved from a three-tier system to a two-tier system. I am sure that there will be discussion today and later tonight on whether we have included a sufficiently large percentage of our working population in the assisted areas.

I believe that we have included as many as can be afforded. It would have been difficult to persuade the European Commission that a larger percentage would not have taken the policy from one of assistance to less-favoured areas to one of illegal general subsidy.

Mrs. Elaine Kellett-Bowman (Lancaster): I am sure my right hon. Friend appreciates that the fact that the Lancaster travel-to-work area with its high unemployment of 15·3 per cent. ceased to be an assisted area was a great disappointment to the area. We hope very much that my right hon. Friend will mitigate the damage that would otherwise by caused to us and will make the area a derelict land clearance area. If that is done, we can reasonably continue with the progress we have been making during our time as an assisted area.

Mr. Tebbit: I can understand my hon. Friend's disappointment at the fact that Lancaster fell on the wrong side of the line we drew. I understand that my hon. Friend the Under-Secretary of State for the Environment—the hon. Member for Sutton and Cheam (Mr. Macfarlane) —has written to my hon. Friend and some other hon. Members. I hope that my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) will receive that letter either this evening or tomorrow telling her that Lancaster has been granted status as a derelict land clearance area.

Mr. John Prescott (Kingston upon Hull, East): What does that have to do with logic?

Mr. Tebbit: The hon. Gentleman clearly does not understand logic or he would understand the purpose of those clearance areas and the subsidies granted to them. I regret the fact that the hon. Gentleman opposes the grant of such subsidies to Lancaster. No doubt the Labour candidate for the area at the next election will be asked about his party's attitude.

Mr. Prescott: And that is what it is about.

Mr. Tebbit: If the hon. Gentleman makes a speech tonight I hope that he will make a point about the percentage of Tory-held seats and the percentage of Labour-held seats which are beneficiaries of regional aid. That would dispose of any suggestions of bias — *[Interruption.]* Having had this debate delayed once by unruly behaviour, I hope that will not be delayed again by unruly behaviour by the Opposition Front Bench.

The rapid restructuring of the economy had made a nonsense of the old map. Who could argue that the core of the west midlands, with unemployment rates of up to 21 per cent., should be excluded from benefits received by, say, Darlington with 15·2 per cent. unemployment, Durham with 14 per cent. unemployment or Oldham with 13.8 per cent. unemployment? Of course, current unemployment rates cannot be the sole criterion for inclusion in the assisted areas, but the west midlands stood out as an unfair exclusion.

Sir Reginald Eyre (Birmingham, Hall Green): How many applications for grants have been received in the west midlands area, including Birmingham, since the proposals incorporated in the scheme were first announced?

Mr. Tebbit: I cannot give my hon. Friend a precise answer, but I know that the level of interest expressed has been high. The last time I inquired there had been well over 2,500 inquiries and well over 100 applications were being processed. I believe that my Department has arranged more than 40 seminars for interested parties in the Birmingham-west midlands area to examine the opportunities opened up by the new status of the area. I hope that that will be helpful to the city.

Mr. George Park (Coventry, North-East): Will the right hon. Gentleman try to satisfy the House about the scheme's flexibility? The right hon. Gentleman just answered a question about land clearance from the hon. Member for Lancaster (Mrs. Kellett-Bowman). An application for land clearance was made in my constituency, in some parts of which there is 30 per cent. unemployment. We received a reply stating that, looking at the city as a whole, there was no justification for granting land clearance status. Could the scheme be more flexible and more selective and take such aspects into account?

Mr. Tebbit: I am sure that the hon. Gentleman will want to take up that matter with my right hon. Friend the Secretary of State for the Environment, who is responsible for that scheme. I am not responsible for it — *[Interruption.]* The hon. Gentleman must take account of the fact that I am often aware of what goes on, even in other Departments, but I cannot take responsibility for the schemes they draw up.

Dr. Keith Hampson (Leeds, North-West): Does my right hon. Friend agree with the answer that has been given in the newspapers, that there is a case for task forces, especially for cities with needs that do not fall within the prescribed assisted areas criteria, to pull together the various activities of Departments such as the Department of Trade and Industry and the Department of the Environment? I assume that my right hon. Friend's Department will have a major role to play in such task forces.

Mr. Tebbit: My hon. Friend puts a good point. I am not sure that we would necessarily create task forces as such. We seek to achieve much greater co-ordination between the regional offices and the Departments that operate in these areas, where several schemes of urban aid and regional industrial assistance overlap.

Mr. Tony Favell (Stockport): Will my right hon. Friend give way?

Mr. Tebbit: This might be the last intervention I shall accept, or my speech will be rather long.

Mr. Favell: My right hon. Friend pointed out earlier that many well-run Conservative authorities have been excluded from the map. Is there not a problem with this policy in regarding development status as a reward to the prodigal son? Let us take the case of Manchester and Stockport. There is not a blade of grass between the two. Manchester city employs twice as many people per head of population as Stockport. Manchester thereby drives employment out of Stockport. Stockport is faced with the difficulty of Manchester city being aided to a large extent and Stockport not receiving that aid.

Mr. Tebbit: I can understand how my hon. Friend feels because I know that the local authority at Stockport has been assiduous in running a tight ship and giving good value to its ratepayers, which is more than can be said for a good many of the others nearby. But inevitably there are problems across boundaries of discrimination one way and

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another, and inevitably there are occasions when those who have looked after their financial affairs find themselves called upon to give help to those who have wilfully not done so. That is an inevitable consequence of some of these schemes.

In redrawing the map we have taken into account total unemployment, long-term unemployment, growth in labour supply, industrial and occupational structure, activity rates, peripherality and inner city problems. Even then we felt it necessary to take into account the relationships between neighbouring areas and, indeed, one might wax eloquent about what have become known as doughnut effects, where one small area is left unaided with a whole circle of aided areas round it. No doubt some hon. Member will touch on that later this evening.

Of course, we gave careful consideration to the many representations made to us. We have increased coverage to 35 per cent. of the working population and that will give us maximum access to the European regional development fund. Without that funding we could not have given such wide coverage. Thus we have been able to increase the areas eligible for regional selective assistance, too.

Within that wide coverage we have drawn a tighter group of inner tier areas, covering some 15 per cent. of the working population, on which to focus resources where they are most needed. In this inner tier we are concentrating assistance: not only ERDF and regional selective assistance, but the automatic RDG assistance. I realise of course that the former SDAs, whose 22 per cent. grants will go down to 15 per cent., will complain, but we are not setting out to give handouts to companies and in many cases it was simply not necessary to go to that level of subsidy to secure the jobs. I for one see no reason why we should add to the profitability of companies that were already adequately profitable and could have been induced to go on 15 per cent. or perhaps even less.

One consequence of these changes, as I have said, is that some areas will be downgraded or excluded from assistance. That will be a source of dissatisfaction. To minimise the pain, therefore, there will be transitional arrangements more generous than any offered before. These were described in detail by my hon. Friend the Minister of State last November.

That brings me to one matter that was not foreshadowed in earlier statements; nor is it so much a regional policy issue as a public expenditure issue that had to be faced by my right hon. Friends the Secretaries of State for Scotland, for Wales and myself. We agreed upon an approach—

Mr. Donald Stewart (Western Isles): "We agreed"?

Mr. Tebbit: Yes, we agreed upon an approach, which normally would have been announced at the time of the publication of the public expenditure White Paper. But my right hon. Friends and I thought it would be wrong for the House to debate these matters in ignorance of decisions that had been taken and that would shortly be public knowledge.

As I have explained, the transitional provisions protecting the decisions made on the basis of the old map and the old scheme will overlap the new policy and the new area coverage. In effect, two schemes will be running side by side with considerable overlap.

In 1983 we estimated that spending on regional industrial incentives in the year 1985-86 would be just under £500 million. It is now clear that, with the new policy and the transitional arrangements, that expenditure would have increased to well over £600 million and that bulge of expenditure simply could not be afforded.

We are therefore introducing today a four-month moratorium on the payment of the old style RDGs.

Mr. Dick Douglas (Dunfermline, West) *rose*——

Mr. Tebbit: If the hon. Gentleman will relax for a moment, I am sure that he would want to hear what the moratorium is and how it will operate. It means that there will be a four-month gap between the approval of an application and the payment and this will apply to the old RDGs until further notice. It will not apply to properly completed applications for grant which were either received or postmarked before midnight tonight; nor will it apply to the new RDG scheme. The moratorium will ensure that next year we spend no more on regional industrial incentives than we forecast in 1983.

Mr. A. J. Beith (Berwick-upon-Tweed) Will the right hon. Gentleman give way?

Mr. Jack Ashley (Stoke-on-Trent, South): Will the right hon. Gentleman give way?

Mr. Dafydd Wigley (Caernarfon) *rose*——

Mr. Tebbit: It does not mean that there will be any substantive reduction in spend next year compared to the 1983 forecasts, nor will any grants be "lost"—they will only be delayed. So, while there may be some savings from the new policy as soon as 1986-1987, we still do not expect there to be any significant saving in regional policy spending until 1987-88, when we would have spent some £700 million if we had made no policy changes.

Mr. John Smith (Monklands, East): Does the Secretary of State appreciate that extensive undertakings were given during the passage of the legislation about the transitional provisions, and assurances were given to those affected by regional development policy that great care would be taken? The result of the Secretary of State's announcement, although he claims that it makes no real difference to the national accounts — one wonders, therefore, why it is made—will mean that companies that have undertaken to purchase equipment and entered into contracts for it will be left with four months in which to find the money, and they will probably have to borrow it at the new rates of interest that the Government have introduced.

Mr. Tebbit: In the event that that is so, I do not think that there would be any great difficulty in the company being able to borrow the money against the security. The amount that we are discussing is something like 4 per cent. on the 15 per cent. grant so it is not a major element of the cost involved. I have to remind the House that overall the expenditure in the coming year is expected to be the same expenditure as would have been undertaken on the basis of our 1983 estimates. I think that the right hon. and learned Gentleman has slightly missed the point, and I am not trying to be funny at his expense. I want to make it absolutely clear that——

Mr. Ashley: Will the right hon. Gentleman give way?

Mr. Speaker: Order. The right hon. Gentleman can see that the Secretary of State is not giving way. I think that he may give way later, but not now.

Mr. Tebbit: I want to make it absolutely clear so that we can understand each other that there will be two policies, in effect running side by side during the transitional period. Therefore, in order to maintain expenditure at the level which had been forecast in the 1983 White Paper we have used a moratorium on the RDGs on the old system. The new system will go ahead untouched. That is the way in which we avoid the bulge of public expenditure. I can understand right hon. and hon. Gentlemen not liking it—I can understand companies not liking it—but on the other hand it may be rather more popular with taxpayers as a whole.

Mr. Wigley: On this point, will not the right hon. Gentleman appreciate that the cash flow problems for companies are as great as, if not greater than, the cash flow problems for Government? In these circumstances, can he give an assurance not only that a letter of intent will be issued to the companies to help them in getting the liquidity that they might need, but that the Government will consider reimbursing any interest costs in the interim period, given the current high rate of interest?

Mr. Tebbit: Let me take the hon. Gentleman's points one by one. First, there are many companies whose cash flow problems are considerably less than those of Governments—we would all like to be in the position of, for example, GEC, with a cash flow. Many companies do not have cash flow problems. The position of industry as a whole—its profitability and its liquidity—has vastly improved in the last year or so, and I believe that in general this would not be an unduly onerous burden.

Secondly, where a company's application is approved, a letter will be issued to it which will say, "Yes, you qualify for the grant. It will be paid, and it will be paid in four months from now," as opposed to today. I imagine that such a letter could be used in an application to a bank.

Thirdly, it would not be right for the taxpayer to carry the cost of the interest involved.

Mr. Ashley: Is the Secretary of State aware that his colleague announced a reduction in regional aid? The Secretary of State is now announcing a freeze on that reduction. Given the increase in unemployment and the fact that regional aid ensures equity, he is announcing an unfair policy that will hit those areas suffering high unmployment.

Mr. Tebbit: The right hon. Gentleman hardly expected me to come to the House today to announce an increase in expenditure on regional aid. For next year, expenditure will be maintained at the level that we forecast in 1983, but, because of the changes in policy, that expenditure will be more effective than it would have been under the old policy.

Mr. Churchill (Davyhulme): The fact that the new regional development grants will be unaffected by this moratorium and that the overall volume is unaffected for the coming year is much appreciated. May I thank my right hon. Friend on behalf of my constituents in Greater Manchester for the fact that Trafford Park has been included in the regional assistance status area?

Mr. Tebbit: I am glad that that has happened. I should perhaps trespass upon the relatively quiet response that I have so far had and say that in 1987-88 there will be significant savings of about £300 million a year on what would have been spent under the old policy. I emphasise that that is justified because the money that will be spent will be spent much more effectively. The Chancellor will be happy, but not yet.

Mr. Beith *rose*——

Mr. Tebbit: Others of differing political views may want to be miserable, but I would advise them not to be miserable yet. I would counsel them against misery in any case.

Mr. Beith: Does the Secretary of State recognise that he is delivering a double blow to areas such as Amble in Northumberland, which he has excluded from regional development aid? Firms in those areas are seizing the last chance to obtain some help from the scheme. Those firms are now being told that plans that they have had to bring forward to come within the scheme will not be paid for another four months.

Mr. Tebbit: I understand that, but there has been a reasonable time during which people could apply for grants. We could not have told them in advance that there was going to be a moratorium or its purpose would have been frustrated. That is one of the consequences of changing the shape of the map and the policy.

Mr. Michael Grylls (Surrey, North-West): While of course the moratorium may, as the Secretary of State has readily recognised, cause some problems to some firms, does he accept that the vast majority of British industry is much more interested in supporting him in keeping the general level of public expenditure under control because its greatest interest is in ensuring that inflation does not take off again? He has a great deal of support for trying to control public expenditure.

Mr. Tebbit: I am grateful to my hon. Friend. It is appropriate that the case for the generality of the population—the taxpayers—should also be heard in a debate when, not unnaturally, we hear a great deal about the case for those who are in assisted areas or who would wish to be.

Mr. John Prescott (Kingston upon Hull, East): They are taxpayers.

Mr. Tebbit: Yes, they are taxpayers, but they are beneficiaries, whereas the others are not.

Mr. Douglas *rose*——

Mr. Tebbit: Mr. Speaker, this is a short debate. I should have been able to give way to the hon. Gentleman had we not suffered from the vilely rude behaviour of some of his colleagues.

Regional policy should not be judged good if it costs a lot and bad if it costs rather less. It should be judged on what it achieves. Bluntly, past policies were not completely successful in the regions that they sought to help. In addition, they damaged some other areas, and the west midlands felt that strongly. They were expensive, thus causing a more general negative effect in the economy.

It has been estimated that the cost per net additional job created in the assisted areas in the 1970s was about £35,000 at 1982 prices. Many of those jobs would otherwise have come into being elsewhere in the country.

It will be some time before we know the cost per job of the new policy because such estimates must take into account the total effect not just on the firms that receive

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assistance but on their suppliers and competitors. Of course, new long-term stable jobs do not come into being overnight. I am confident that the new policy will be much more cost-effective than the old. However cost-effective the policy, it will still be a burden on the taxpayer. The new policy is expected to cost nearly £400 million a year in 1987-88. *[Interruption.]* The cost of the policy is imposed on industry. It is the wealth-producing industry of this country that provides the money to do it.

This is a considerable lightening of the burden on the country as a whole—a reduction of nearly £300 million from what would have been spent under former policies, and I make no apology for that.

The policies that I have outlined give the hardest hit areas the most help. They concentrate on job creation and not on how much taxpayers' money can be given away, sometimes to prosperous companies to subsidise them to do what they would have done anyway. The policy is to minimise job shuffling within assisted areas.

Mr. Douglas: The Secretary of State has said that three times.

Mr. Tebbit: I am sorry that I have had to say it three times, but it is possibly still not understood by the hon. Gentleman, and I might have to say it again.

The policies recognise more fully the role of the service industries as a provider of jobs. We look to better value for money and more jobs per pound of expenditure, because we recognise that regional policy has adverse effects on those who pay but do not receive, and their jobs matter too.

The Government do not turn their back on the problems of the regions, but we believe that as the traditional policy which has been followed for almost 40 years has not achieved what it should, new, more effective and less expensive policies are overdue. To suggest, as the Opposition amendment does, that the policy of spending some £480 million in 1985-86, £610 million in 1986-87 and £390 million in 1987-88 is destructive of regional policy is just plain silly. To deplore, as the amendment does, the changes — by calling them restrictions — to make that spending more cost-effective, is to support spending for the sake of spending and to oppose cost-effective policies.

As ever, the longer that the Opposition are out of office the fewer there are of them who remember what responsibility even felt like. The more distant their prospect of returning to office, the more ridiculous and irresponsible they become with this type of amendment. If there are credible alternatives to our policies they are not to be found in any of the Oppositions' policies. I commend the Government's policies to the House.

Mr. Speaker: I must announce to the House that I have selected the amendment which stands in the name of the Leader of the Opposition.

5.20 pm

Mr. John Smith (Monklands, East): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"but deplores the destruction of regional development policy at a time of record high unemployment and steep industrial decline in the regions and nations of the United Kingdom, condemns the massive cut of £300 million each year in regional industrial assistance, the abolition of special development areas, and the new reductions and restrictions on regional aids and urges a programme of national economic recovery to rebuild the industrial base in which positive regional development is given a crucial role."

Before embarking on the debate on the policy changes, I must express the deep concern of hon. Members on this side — and, I suspect, in other parts of the House, although they have not yet revealed it — about the sudden announcement by the Secretary of State today of the moratorium on regional development payments.

As the right hon. Gentleman well knows, the effect will be to damage many projects which are dependent on regional assistance for their viability. Even if the grants are paid at the first opportunity — I do not know whether that, in all cases, can be guaranteed—there will be an obvious effect on the cash flow of the companies concerned.

After all, many of those companies will have entered into binding contracts with suppliers on the basis that they thought they had a genuine undertaking and guarantee from the Government that the money to which they were entitled would be paid on the date on which it was due. They may in some cases be able to borrow to cover the difficulty of receiving their money four months late, but those which do that will have to pay interest, and they will have to pay at a higher interest rate as a result of the Government's recent financial policies.

The Secretary of State has treated this matter far too lightly. He says airily that many companies will be able to face this problem. But many companies will not, and to those that will not the Government merely shrug their shoulders and say, "That is too bad."

It emerges, however — from the way in which the right hon. Gentleman explains the national accounts — that not much is involved. The explanation we are given is that there really is no change; the same money will be spent. If so, why on earth are we having a damaging moratorimum. The Secretary of State cannot have it both ways. If there is no real change in this magical creative accounting—in which I am not surprised the right hon. Gentleman is an expert—there should be no need for this moratorium.

Mr. Tebbit *rose——*

Mr. Smith: I am happy to give the right hon. Gentleman another shot at it, if he would like one.

Mr. Tebbit: I could not have made myself clear, although I hoped that I had. The combination of bringing in the new policy would have increased spending next year. By bringing in the moratorium, we have brought spending back on to the line that had been forecast in 1983. That means that we have a more effective policy for the same money.

Mr. Smith: The money must be paid anyway. It is clear however, that it will be paid next year instead of this year. It is being shifted from one set of accounts to another. That fact prompts me to take the point further. One would have thought that this resulted from some unexpected development that threw the Government off course. But that has not been the case. It results precisely from the way in which the Government have gone about it.

The Government were warned throughout the passage of the preceding legislation that there would be a need for proper transitional arrangements. When they announced

reductions in regional development grants —there had been a shrewd suspicion by many people that they would — there was a bunching of applications. When the Government then, in the last Budget, changed the capital allowances, there was a further incentive for people to get on with their projects as soon as possible. Therefore, there was a bunching of applications, and that apparently threw the Government accounts out of line for this year.

Instead of bringing forward a Supplementary Estimate to deal with that entirely predictable problem, the Government are trying to move the money into the next year's accounts. That seems funny accounting to those who are trying to understand it, and certainly the public will be puzzled by it.

However, that is not so much the problem. People who have undertaken contracts and made purchases will be left in the lurch as a result of this change by the Government, and it is on their behalf that we complain today.

Mr. Douglas: My right hon. and learned Friend will recall that one of the bull points made by the Minister of State when introducing the transitional arrangements was that they would be extremely beneficial in helping to alleviate the problems of firms which wanted to go ahead under the existing scheme. Now, by this moratorium, the Government are welshing on that promise.

Mr. Smith: I am grateful to my hon. Friend for making that point. Perhaps, like me, the Secretary of State is at a slight disadvantage in not having taken part in the proceedings on the Bill.

Mr. Tebbit: Not at all.

Mr. Smith: I was being charitable to the right hon. Gentleman. If he chooses to reject my charity, another side of my attitude towards him may develop during my remarks.

My hon. Friend raises the important point that Ministers concerned with the matter at the time gave one assurance after another that there would be generous transitional arrangements and promised that the scheme would last for a year in respect of applications in transit. One understood why that was done. Indeed, I understand that a provision to that effect appears in the commencement order. Now we have a sudden change which will mean a four-month delay. For a company which may be struggling for its very existence, regional development assistance is essential to its investment decisions. All its calculations are being thrown off balance.

Mr. Barry Henderson (Fife, North-East): Does the right hon. and learned Gentleman not think that industry will feel that the careful consultation and consideration which has been given to these changes—*[Interruption.]* —and the two to three-year transitional arrangements compare favourably with the sudden ending, at a stroke, of regional employment premium by the Government of which he was a member?

Mr. Smith: If the hon. Gentleman thinks that today's sudden announcement is an example of careful consideration and consultation with companies, he has an odd view of consultation. I am not surprised that companies find that they are often not adequately represented by Conservative Members who, if a Labour Government were in office, would be telling tales of woe about companies being in terrible trouble, saying that my hon. Friends and I do not understand the realities of business, do not know how companies are run, and the rest of it.

We have in office a party which claims to speak for manufacturing industry and management, yet not one Conservative Member rose while the Secretary of State was speaking to complain on behalf of the managements of those companies and the difficulties into which they are being put by the Government. Tory Members should be ashamed of themselves for being such party political sheep that they put their prejudices—*[Interruption.]* We have a volunteer.

Mr. James Couchman (Gillingham): Is the right hon. and learned Gentleman suggesting that companies would have entered into firm, binding contracts before having their applications for grant acceded to by the Department? If so, that would be curious commercial sense. If not, I understood my right hon. Friend to say that applications which had already been agreed would not be affected by the moratorium.

Mr. Smith: The Secretary of State had better have a word with the hon. Member for Gillingham (Mr. Couchman), who clearly did not understand the argument. It is applications already granted in respect of which payment will be delayed. Almost by definition, therefore, the contracts on which they depend were entered into previously.

Mr. Tebbit: So that the right hon. and learned Gentleman does not give the wrong impression—I know that he would not want to do so—let me deal with that question which arises on the moratorium. I am anxious to be careful in the words I use because I want to get it absolutely right. The moratorium will not apply to properly completed applications for grant received or postmarked before midnight tonight. Let us be clear about that.

I believe that the other reason why there was not quite so much outrage from the Government Benches as there was from the Opposition Benches was that my hon. Friends may have done their arithmetic more quickly than the right hon. and learned Gentleman and his hon. Friends and will have considered that on a £100,000 project with a rate of 15 per cent. grant, those concerned with the project would be looking for £15,000, and the 4 per cent. —assuming they were paying that sort of interest rate— that it would cost over four months would not be a catastrophic amount. If they were caught for that amount of money, perhaps they were unwise to go in for the project in the first place.

Mr. Smith: We hear harrowing tales of woe whenever there is an increase in local authority rates. We are told that sometimes a company's whole viability is at risk. In fact, local authority rates have a much smaller impact. The right hon. Gentleman had better be careful lest the response that he has just made is quoted against him. In effect, he said, "There is not much to worry about in the vast majority of cases." If it is that unimportant, why go to the fuss of making the announcement that the right hon. Gentleman has made today?

The Government are caught, on the one hand, by saying that there is no change of any consequence and we should not be particularly concerned about what is being done; but, when we look at it from the point of view of

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companies, we find every reason for them to be deeply concerned. That shows that the Secretary of State's announcement is so serious that we must protest profoundly and vigorously not only at the change that has been made, but at the sudden manner in which it has been made, which is all too typical of the lurching way in which Government policy develops from day to day.

The Secretary of State sought to persuade the House that what was involved in regional policy changes was not really major departure of principle, but merely a wise redistribution of resources and an exercise in value for money, trying to hone regional development policy techniques to be a more perfect way of delivering the goods. That simply will not wash when, at a stroke, £300 million has been taken out of a budget of £700 million not just this year but for every year that the policy runs. In three years or so, that will mean £1 billion being taken away that would otherwise have been available for the regions. That is a crippling attack on regional policy as a whole. It is not the first attack. There were cuts in 1979 and in 1982. Between 1974 and 1979 regional development expenditure was £6·4 billion. From 1979 to 1984 it was reduced to £4·1 billion. In other words, there has already been a reduction of £2·3 billion, or 35 per cent., compared with the amount spent by the Labour Government.

The further slashing cut of £300 million makes it clear that the Government's purpose is not to deploy resources more efficiently, but to reduce the financial commitment to regional indistrial assistance. Indeed, that was openly stated by the Minister of State in a speech in Birmingham shortly after the policy statements were made. The press release sent out by the Department tells us that regional policy savings should be "welcomed" according to the Minister of State in

"a stout defence of the Government's regional policy".

Press officers at the Department are becoming somewhat deferential in relation to ministerial pronouncements. In that "stout defence" of Government policy the Minister went on to make a most surprising statement. He argued that the cuts were quite a good thing in public expenditure terms, but he then had some difficulty reconciling that view with any belief in regional development policy. He went on to say:

"What I am sure about is that lower public expenditure will help to create jobs. It is not Government spending money but Government not spending that creates jobs."

One wonders about the sanity of Ministers capable of uttering statements like that. The Minister of State is a perfectly intelligent person—*[Interruption.]* Perhaps I am being too generous. He is a reasonably intelligent person. His difficulty is that, like so many other folk in this country, he wants to keep his job. I dare say that he also hopes to improve his position. That is why he has to say these things. If it is not Government spending but Government not spending that creates jobs, there should have been a great leap forward in employment under a Government so dedicated to cutting public expenditure. Moreover, unemployment means higher public expenditure. If the result of Government policy is to put more people on the dole, and thus to increase public expenditure, one wonders at the logic of their statements. From the Minister's statement, that cutting £300 million from a £700 million budget will create more jobs, it follows logically that the total abolition of any regional development policy should be the greatest job creation exercise ever.

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): Does the right hon. and learned Gentleman not think that £300 million in extra taxes also destroys jobs?

Mr. Smith: Perhaps some day the Minister will explain to me why £300 million not being spent creates jobs, but £400 million being spent destroys jobs. I find that difficult to understand when the £400 million is being used to create and finance projects which in turn create jobs and wealth. I am beginning to think that hon. Members who begin their political life as reasonably intelligent people should have the benefit of a Government health warning in their dispatch boxes to the effect, "Thatcherism damages the brain", as that is clearly what has happened to Ministers at the Department of Trade and Industry. If the Minister of State is right in his assumptions, we should be destroying regional development policy entirely.

Towards the end of the same speech in Birmingham, when his audience of business men must already have been fairly mystified, the hon. Gentleman realised that he had to justify the £400 million that was still to be spent, so he said that some areas had considerable problems and still needed assistance. He did not make it clear why the £400 million was good for those areas when taking away £300 million was good for other areas. At that point, one begins to lose sight of the logic that drives the Government on.

Mr. Tebbit: I was waiting to see whether the right hon. and learned Gentleman would either clean his spectacles or stumble across the truth along the way, but clearly I shall have to help. He seems to have forgotten that the prime justification for the regional spending policy is a social justification—[HON. MEMBERS: "Oh!"] That is what the White Paper says. *[Interruption.]* If hon. Members will just relax, I shall explain. Within the total of jobs in the economy, what that spending achieves is, not least, that jobs will be created in one place rather than another. The right hon. and learned Gentleman then confused that with the point that my hon. Friend the Minister of State was making in relation to the aggregate of jobs in the economy.

Mr. Smith: The Secretary of State is now having to come to grips with things and to listen to arguments that are probably not often articulated in the Cabinet. Debates of this kind can be an educative experience for Ministers, and I hope that they will learn something today.

The Secretary of State now says that regional development policy is merely a matter of shifting jobs from one area to another—the very reason for which he condemned Labour Government policy. He is now saying, "I have changed that wicked policy, but in fact that is all that one can ever do with regional development policy." That follows from his statement that regional development policy is merely social policy. He clearly does not appreciate the economic case for regional development policy—to stimulate growth in the regions and to create new industrial enterprises that would not otherwise have been created. Far from merely moving jobs from one part of the country to another, it is a matter, as much as anything, of generating new jobs.

That is the basic fallacy of the Government's approach, and it arises due to a number of forces. The first is the need

to slash public expenditure, and there have been all too many victims of that. Because of the mounting bill for unemployment on the Government's back, they are forced to cut other programmes — and regional development policy has been one of the victims.

I am especially sorry for the special development areas —the areas of highest need. As Ministers well know, the highest grants went to those areas because they had the biggest problems. If we are redefining the tools of regional development policy, what sense does it make to take away the specialist operations of the special development areas? That gives the lie to the claim that there is a re-honing of the techniques involved.

Let me deal with the argument that this was justified because of the very large projects upon which a great deal of regional money was spent. We have heard endlessly about the Sullom Voe oil terminal. The money spent upon that was spent many years ago. I suppose that the Government have in mind the Moss Morran project, the grants for which were, I believe, sanctioned by the present Administration. There is a very simple answer. The Government claim credit for the support that they gave to the Moss Morran project when it suits them, but they try to run away from it when it does not suit them in the House of Commons. The Government know, as does the House, that if that is the problem, there is a very simple way of dealing with it—one declassifies some of those projects from the range of regional development assistance or makes them subject to ministerial discretion of some kind.

The Secretary of State knows that certain types of industry are unable to benefit from regional development assistance and that decisions have to be made as to which industries qualify for such assistance. One can easily move an industry from one column to another. However, that is no justification for raiding regional development funds for public expenditure reasons that the Secretary of State has advanced today.

These changes, and also the Budget changes, will be very much to the disadvantage of certain industries which are struggling to survive. Those Conservative Members who take their constituency responsibilities seriously know that many companies, some of them old-established companies, are struggling to survive. They are struggling to survive on low profits and against the heavy tide of imports. Their only hope for survival is to invest heavily in new products and processes. I should have thought that any intelligent Government would wish in particular to give as much assistance as possible to companies which are situated in high unemployment areas. I fear that the consequences of these so-called job-directed changes and of the changes made in the Budget to capital allowances will hit precisely those industries and companies. They will suffer greatly from the present and continuing decline.

As the Secretary of State revealed in his intervention, the truth is that the Government do not believe there is an economic case for regional industrial policy. The White Paper is in line with the Chancellor of the Exchequer's famous and fatuous remark, that unemployment is a social, not an economic, problem. That is at the same intellectual level as the Chancellor's other famous observation, that the trend of future employment is not so much low-tech as no tech. What an ambition for the Chancellor to have for the people of this country. The Government have deluded themselves into believing that regional development policy is a social matter which verges on charity: that they must be quite nice to those who live in disadvantaged areas and give them a handout from time to time in order to keep the social fabric in good repair. That is a departure from the policy followed by previous Conservative as well as Labour Governments.

Thatcherism does grave damage by inculcating the inability to grasp the point that unemployment is a waste of resources, both physical and human. Failure to deploy those resources in our regions will condemn us to economic and national decline. If we persist in this waste, we shall fail to create the wealth which can truly guarantee the social fabric of this country. I regret that that decline is well advanced in many regions of the country, but it has spread more widely than the areas which are traditionally defined as being in need of assistance.

The Secretary of State has today had the sauce to try to claim some credit for bringing the west midlands into the range of reginal industrial assistance. He has got hold of the wrong end of the stick. The Government should be condemned for causing such destruction to the once great industrial powerhouse of the west midlands. Since 1979 the Government have brought the west midlands to its knees — to the condition that fulfils the criteria for regional industrial assistance. However, when the Government seek to assist such regions, they give to difficult areas within areas like the west midlands—for instance, the centre of Birmingham — far too little assistance.

Miss Betty Boothroyd (West Bromwich, West): Four hundred thousand jobs have been lost.

Mr. Smith: My hon. Friend speaks eloquently of the problem in that area. As the Secretary of State knows, it is not an area with which previous Governments had to deal as a matter of policy.

Mr. Kenneth Hind (Lancashire, West) *rose*——

Mr. Smith: The hon. Gentleman can leave, if he wishes, but I am not going to give way to him.

What will be the effect of all these changes in policy? Inevitably, they will accelerate both job losses and industrial decline in the hard-pressed areas. Scotland will lose £100 million, Wales will lose £60 million and England nearly £150 million in each year of the operation of this policy. It is not as though these areas have not been suffering. Since 1979, Wales has lost 83,000 jobs, the north 100,000, the north-west 250,000, Yorkshire and Humberside 162,000 and Scotland 150,000. On top of that there has now been the chopping almost in half of regional development industrial assistance. In every area where there has been a reduction in assistance as a result of this policy, from the south-west of England to the north of Scotland, there will be added the almost direct stimulation of unemployment. For those reasons we condemn the changes that have been introduced.

May I remind the House of what the Conservative party has said. I can do no better than to quote the words of the present Prime Minister during the 1979 general election campaign. Speaking in Bolton on 1 May 1979, she said:

"Of course, we will continue with regional aid. We have always given special help to the regions".

That was a regional development policy of much greater extent and capability than the one we are discussing today.

In case there is any doubt about the intentions of the Conservative party, on 16 April 1979, in Coventry the Prime Minister said:

"Labour's latest smear suggests that the next Conservative Government would cut off all state help for industry and the

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regions—and thus destroy jobs. This is a wicked lie . . . We are committed to the maintenance of a strong and effective regional policy."

Hon. Members who seek to try to escape from the consequences of that quotation by referring to all the help that has been given must bear in mind that the Prime Minister said:

"We are committed to the maintenance of a strong and effective regional policy."

The Prime Minister did not say, "We shall have to take the interests of the taxpayer into account." Anybody who describes these changes as making regional policy stronger and more effective does not understand what the policy is about.

At the heart of this matter there is a fundamental problem, namely that the Government cannot see the economic case for it. If we continue to neglect the economic case, the creation of wealth in this country will depend only upon the more prosperous areas in the south. The rest of Britain will be relegated to competing with low-wage countries for routine assembly type production. That can never be a proper policy for the whole of this country which Parliament has to represent. Parliament represents those areas which are well off as well as those areas which are not so well off.

The great opportunity to redesign our regional development policy in the context of the recession has been missed by the Government. They have perverted it into a cost-cutting exercise. No attempt has been made to integrate regional industrial assistance with other forms of social help and assistance and with the range of policies that the Government ought to be pursuing. They have made cuts there, too. In recent years local authorities have taken much more interest in the economic development of their areas. Many have been pressed to do so because this is the most important problem that faces their citizens.

There have been many imaginative developments. The enterprise boards are often able to create more jobs at a greatly reduced cost than the present Government or previous Governments have been able to create through their regional development policies. They are certainly very much cheaper than jobs created in enterprise zones. The Government are frightened to tell us how much they cost. I am not the only Member who has put down questions asking about the cost of jobs in enterprise zones. We have all received the same answer: the Government do not know. They prefer to use it as a technique of policy, but they do not know what such jobs cost, or they are frightened to say what they cost. Such a job is estimated to cost £50,000. We hear very little about the value of money in the context of the enterprise zone argument.

We have seen local authorities, many of them Labour-controlled, seeking to fill the vacuum created by the Government's withdrawal from action on and concern for economic development in their areas. There has been no new thinking and there is no new approach in this regional development policy. It is the same old story from the Government. The Government do not build for themselves; they destroy the work of others—not just the work of Labour Governments, but of Tory Governments in the past.

What is frightening is that the Government appear to be impervious to the damage that they are causing. As the economic storm clouds gather over Britain and become more serious every day, the Government plunge blindly on destroying as they go. When they are finally called to account, the missed opportunities and wanton destruction of regional development policy will, I hope, be high on the indictment.

5.50 pm

Mr. David Mudd (Falmouth and Camborne): I hope that the right hon. and learned Member for Monkland, East (Mr. Smith) will accept that as I am not following him into the Division Lobby tonight I shall not follow the argument that leads him there, although he may find a certain identity of views on one or two aspects of the philosophy of failed regional policy. To reassure my right hon. Friend the Secretary of State and my hon. Friends, I shall not be following them into the Lobby either in support of this regional aid package.

However, I welcome two particular aspects of the policy relating to Cornwall. First, I welcome the tidying up of development areas in the extreme west of the county, even though that means a downgrading, and equally, I welcome the recognition for the first time of mining activities as qualifying for regional policy and grant aid.

Having said that, I must make the blunt point that regional aid in its original form, its modified form, its updated form, its improved form and now its new-look form has completely failed to serve the economic needs of the west country, particularly the far west of Cornwall, even at a time when parts of my constituency enjoyed special development area status.

If the present regional policy has succeeded, why do I have 2,500 men out of work in Falmouth—27·2 per cent. unemployment—1,500 registered as unemployed in Redruth, and 2,000 people registered as unemployed in Camborne, despite that being a small area that should be the industrial heartland and growth area of west Cornwall?

Falmouth, Camborne and Redruth, having failed to gain any benefit from special development area status, now find — surprise, surprise — that they have been relegated to development area status. We are entitled to ask what is the merit, value and point of that. What good will that do the unemployed in my constituency?

I must admit that I am not merely saying that it is Government regional policy, as embodied in the statement of 28 November, that is at fault. There is a shopping basket of failed Government regional policy that has impeded the regeneration of economic activity in west Cornwall.

The Department of the Environment would not allow Carrick district council to use £2·5 million of the £7 million that it had made in selling council properties to extend a new building programme that would help the elderly, the handicapped, single-parent families and young married people. That was Carrick's own money, brought about by its own judicious activities. As a result, the unemployed remain unemployed. Those who require housing have to wait still longer and a local authority is denied the ability to levy rent and rates on its own bricks and mortar. I criticise that policy and the effect it has on parts of my constituency.

It is the policy of the Department of Trade and Industry resolutely to refuse even to consider for one moment the possibility of the introduction of legislation on mineral rights. That would ease the way to the exploration and exploitation in the Cornish minerals industry in what happens to be the one growth industry in Cornwall in terms of an increased work force.

The Treasury has now come up with a wonderful scheme effectively to reduce VAT collection in west Cornwall. Nobody likes VAT. Nobody likes having to pay it. But Cornish business men and small shopkeepers will now have to wait a long time for advice or will have to make costly phone calls which in no way assists the survival of the economy of west Cornwall.

Mr. David Harris (St. Ives): Will my hon. Friend confirm that both he and I and other hon. Members from Cornwall have written to the Minister and the Treasury on that point and that, despite our letters, we have been given no costings of the savings that the Minister claims will be made by this reorganisation?

Mr. Mudd: I gladly agree with my hon. Friend but that is a point that he will no doubt wish to pursue with Treasury Ministers rather than with the Department of Trade and Industry within the context of this debate.

The Government's policy wastes resources and effort by attracting the footloose into the far west of Cornwall — firms which may close quickly with no notice whatever in response to the faintest quiver of economic change, which may well founder as a result of new and changed technology and any changed pattern of economic activity. Those are the firms that I describe as the footlose or the bounty hunters. They have made the decision to come to Cornwall from afar. From the moment that they arrive they do not identify with the local communities and needs. Their particular interest in coming to Cornwall is purely an attempt to take advantage of such regional aid as their accountants assure them will be necessary and beneficial to them.

I have no doubt that the real way forward is to switch support to indigenous undertakings in Cornwall, including tourism; to remove the inhibitions that prevent local government from using its resources in the interests of its communities, and to look carefully and closely at one aspect of Government policy that I admit has succeeded in Cornwall—the community programme.

The community programme has genuinely introduced hope where it did not exist. It has helped to develop new skills, and above all it has created a new pride in community effort and activity. Steps should now be taken by the Government within the context of regional policy seriously to consider extending the scheme to something on the lines of a regional, county or district task force undertaking long-term projects such as the construction of houses, hospitals, roads, schools and other environmental works.

Although the community programme has succeeded, before long it will be seen as having been nothing more than a great deal of effort and generated activity. In the process of time the weeds will return to the churchyard that have now been cleared. The walls that have been restored will fall down again and our ponds and village streams will once more have the clutter of supermarket trolleys, pram bodies and mattresses. It will have been a good scheme which harnessed a great potential, but to no avail whatever.

As the Government consider what they should be doing for the regions, they should consider some way of harnessing the community programme to create long-term employment by creating community works of value to the infrastructure. In that way, even at this late stage, the Government's regional policy could, while helping the unemployed, give positive and lasting value to the industries, firms, businesses and people of our hard-pressed and neglected regions.

5.58 pm

Mr. Norman Miscampbell (Blackpool, North): I speak on behalf of an area which has lost its assisted area status and where there is now in Blackpool 20·2 per cent. unemployment. Taking an average over the last year from January to January, that is 17·8 per cent.

I understand the Government's difficulties, but neither I nor my right hon. Friend the Member for Blackpool, South (Sir P. Blaker) can support the Government in the Lobby tonight, for the following reasons. I used the figures for the local authority area, but the Government have based their decision on the travel-to-work area.

The controversy between us is central to Blackpool's problem. On the criterion used by the Government—the travel-to-work area — we are linked with Lytham St. Anne's and between Blackpool and Lytham St. Anne's there is very little relationship. The latter is a wealthy retirement area. Most of those who work are in businesses in the north-west of Lancashire or travel to Manchester. The unemployment rate is about 9 per cent. These facts mean that the criterion, when rigidly applied, drags Blackpool down below the level at which it will qualify for assisted status.

I am not arguing for a black spot policy. I understand that one cannot have a piecemeal approach, but Blackpool itself would pass every criterion and every test to be a travel-to-work area on its own. We have 60,000 people working in the town and 70 per cent. of them work in the area of Blackpool local authority. On that basis, Blackpool constitutes one of the largest areas in the north-west of England, far larger than many travel-to-work areas that have been granted assisted area status. My right hon. Friend the Member for Blackpool, South and I are saying that Government policy should be more flexible than it has been.

The problem does not end there. Over the past year, there has been a steady decline in our town. The figures for the future are ominous. Taking the town of Blackpool alone—the local authority area—over the past year there has been an increase of 1·8 per cent. in unemployment. The travel-to-work area has shown an increase of 1·3 per cent. Unfortunately, that rate is well ahead of the Lancashire rate, which is running at 0·7 per cent., while in the United Kingdom as a whole it is 0·6 per cent.

Among the criteria that are used, do the Government take into account the fact of rapid deterioration and the fact that the figures show an ominous future ahead of us unless changes come? It is not as if Blackpool has been slow in facing up to competition. The tourist industry is now our main industry because our small manufacturing industries have suffered over the past 20 years. The tourist trade has been faced with fierce competition from the Costa Brava and other resorts in Europe. We have done our best, and we have done well. If British industry as a whole had done as well as Blackpool's tourist industry, we would be telling a different story tonight. We have changed in part from small boarding houses to self-catering flats. There have been massive changes and improvements in our hotel accommodation. We have embarked on leisure complexes of great size, some of them the biggest in Europe. We have done all that we can and, in doing so, we were among the prime areas attracting EEC money.

[Mr. Norman Miscampbell]

One of the biggest complexes is being built in the constituency of my right hon. Friend the Member for Blackpool, South. Hon. Members will not be surprised to hear that, it being Blackpool, the area is called the Sandcastle. That rather odd name disguises a complex with £16 million of leisure facilities which will bear comparison with anything in Europe and many other places in the world. It has already attracted £1·6 million of EEC money, and we are grateful for that. However, that is only part of what we could and should be getting and what we shall lose.

For these reasons, and because of the lack of flexibility, we feel that we cannot support the Government. One thing has been said by everyone concerned, and that is that there should be a constant review of the problems that areas such as ours face. There certainly needs to be a review. I hope that it will be assiduous and careful, and in the end will help Blackpool.

6.5 pm

Mr. Bruce Millan (Glasgow, Govan): Even before today's announcement of the moratorium, we in Scotland had plenty to complain about regarding the Government's record on regional policy over recent months. On 28 November the Minister made an announcement about the new assisted areas and the new rate of grant of 15 per cent., compared with the 22 per cent. enjoyed in special development areas and 20 per cent. in ordinary development areas. When the new rules were introduced under the Co-operative Development Agency and Industrial Development Act 1984, there was an explosion of anger in Scotland at the loss of assistance to Scottish industry amounting to about £100 million a year out of the £300 million that the Government wanted to save. The announcement of a moratorium is simply twisting the dagger in Scotland's wound.

I have made speeches before about the new system of development assistance, and the move away from automatic grants to greater reliance on selective grants and dealing with matters on a project basis rather than on a straight capital expenditure basis. Tonight I do not have time to repeat the criticisms that I have made on a number of occasions, both in the House and in the Scottish Grand Committee. The new policy is fundamentally misconceived. The purpose of the policy is to save money, but it will also cause more bureaucracy and argument between Government officials and the individuals applying for project assistance. Once the new scheme is properly in operation, and industrialists who enjoy the benefits of the existing scheme see the implications of the new scheme —particularly the exclusion from the new scheme of modernisation and replacement projects—there will be another explosion in Scotland among many companies and individuals who are traditional supporters of the Conservative party and Government.

We have made these points on many occasions, and my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), in his excellent speech, has developed the case for regional policy as a whole. We base our case not simply on social grounds, but on economic grounds, and my right hon. and learned Friend disclosed some of the fallacies behind the recently announced changes in policy.

I come specifically to what was announced today. When the Co-operative Development Agency and Industrial Development Act was going through the House, it was reported that the savings would be between £150 million and £200 million a year. Some of us said then that there would be considerable additional saving when a new map was published and the new rates of grant were announced, as they were on 28 November. At that time, I remember the Under-Secretary of State for Scotland with responsibility for education and industry specifically telling me that we should not make any assumptions that there would be any further saving, and that perhaps there would be only a redistribution of money. We were misled into believing that the savings of £150 million to £200 million would be the total, and we did not have to worry about anything that happened subsequently.

Mr. Norman Lamont *rose*——

Mr. Millan: No, I shall not give way, because the hon. Gentleman was not present when I had that answer from the Under-Secretary of State.

When the announcement was made in November, we found that the cuts would be not £150 million to £200 million, but about £300 million, with the cuts in Scotland at about £100 million. We were given no warning that there might be further cuts, like those that were announced this afternoon through the moratorium.

What do the cuts amount to? The Secretary of State gave many figures, but he was careful not to give a precise figure for the cuts. I understood him to say, however, that in 1985-86, after the cuts, expenditure would be £480 million, whereas before the cuts it would amount to more than £600 million. How much more? We do not know. However, we know that a cut of more than £120 million is to fall on industry in the development areas in 1985-86. I hope that the Minister will either confirm or deny my assumption when he replies to the debate.

Secondly, when is the moratorium to end? Has a decision been taken? The Secretary of State gave estimated figures not only for 1985-86 but for 1986-87 and 1987-88. He must be assuming either that the moratorium will continue indefinitely or that at some time it will be lifted. We are entitled to know what the Government's intentions are.

Industry has been misled not only by what Ministers have said in the House but by the commencement order itself. The commencement order for the Co-operative Development Agency and Industrial Development Act 1984 was published on the same day as the Government announcement and was to come into operation on 29 November. The transitional provisions in article 4 of the coommencement order led industry to believe that as long as the asset was provided within the period of one year from the appointed day — 29 November 1984 — everything would be all right and the grants would be paid. There was no question then of a moratorium or of any cut in the amount of money to be made available to industry under these provisions.

Because there is a transitional period, because the new system is much less favourable than the old, and because the Budget changes encourage capital expenditure for a limited period, expenditure will naturally and inevitably be higher than it would otherwise have been. Indeed, Ministers constantly boast about it. Earlier this week, the Chancellor of the Exchequer said that private investment

is increasing by leaps and bounds. Yet, at the same time as he is taking credit for that, he introduces a moratorium to cut assistance to such capital investment in the existing development and special development areas—the areas of the country that need it most desperately.

We have been misled on numerous occasions. We were misled when the Co-operative Development Agency and Industrial Development Bill was going through Parliament and we were deliberately misled at the time of the announcement on 28 November. Today, we have not so far been given the whole story.

The Secretary of State for Trade and Industry was honest on one point. He said that the Secretary of State for Scotland agreed with the contents of the announcement. I hope that that comment will prevent the Secretary of State for Scotland from briefing the press all over Scotland to the effect that he did not really approve of the changes and was, indeed, opposed to them.

Why is the Secretary of State for Scotland not here to take his share of the responsibility? The answer is that he is in Aberdeen. This evening he is to attend a banquet and to address the Aberdeen chamber of commerce. The title of his speech is to be "Scotland Tomorrow". I can tell him what Scotland tomorrow will feel about today's announcement. It will feel that the Government are once again giving every sign that they are abandoning the regions, and abandoning Scotland.

6.15 pm

Mr. Barry Henderson (Fife, North-East): Not so long ago the right hon. Member for Glasgow, Govan (Mr. Millan) had considerable influence on the management of the Scottish economy. During that period, the Scottish economy did not grow as it has done while my right hon. Friend has been responsible for it.

Recently, the *New Statesman* told us that Labour had lost the economic argument. On the form shown in the debate so far, Labour will not win the regional policy argument either. What was made clear by the speeches of the right hon. and learned Member for Monklands, East (Mr. Smith) and the right hon. Member for Govan is that they have nothing new to offer to regional policy thinking. It is the old, failed approach, except that it is now five years older and five years out of date. They are offering again—perhaps with a slightly more Left-wing slant—the old policies that under the Labour Government doubled unemployment, doubled prices, doubled taxes and in five years doubled the national debt. That was the achievement of the Labour policies, and they have not changed despite the fact that Labour Members have had five years in which to consider how to do better.

The only substantial argument that we have heard from the official Opposition is that the Government propose to reduce total expenditure on regional employment policy by £300 million, starting in three years' time. Should we not put that reduction in the context of the fact that the abolition of the national insurance surcharge—Labour's tax on jobs—has put £3,000 million back into industry and commerce? Industry has already benefited from regaining that sum, in three instalments—that may be one significant reason why industrial investment in this country is at an all-time high—and it will continue to benefit every year.

However, even that assistance to industry and commerce is not as important as the effect of controlling inflation, which has helped industry in terms of competitiveness and cost and has equipped it better to face competition in the world. No amount of expenditure on regional policy will help even those who benefit from it as much as the control of inflation has helped industry in general.

In their prejudice, the Opposition have ignored the real improvements in regional policy devised by the Government. We are reducing the extent of the most wasteful kind of regional policy expenditure—the kind exemplified at Sullom Voe — expenditure where the investment would have taken place regardless of regional policy and where substantial benefits would have resulted. There is fairly widespread agreement that the Government were right to take that step.

The Government should also be given credit for the fact that they are relating the help much more directly to jobs. The great issue of our time is coping with the problems of unemployment. Surely, therefore, it is right for the Government to emphasise and encourage the creation or defence of real jobs.

The third element of the policy, wholly ignored by the Opposition, is the Government's recognition of the role that service industries can play in job creation. Over many years and under successive Governments the great failure of regional policy has been the insistence on encouraging manufacturing industry in problem areas. That policy has done a positive disservice to the areas that it was intended to help, partly because, worldwide, manufacturing industry is in decline. It was not kind to send to the development areas a sector that was declining in importance.

Mr. Millan: It is not declining worldwide.

Mr. Henderson: Can the right hon. Gentleman tell me of any OECD country——

Mr. Millan: Japan, for one.

Mr. Henderson: The right hon. Gentleman will find that services in Japan are expanding significantly more than manufacturing. Services have an important role to play in job creation. The Government's policy will also help to provide flexibility in competing for mobile international investment, whether in manufacturing or service industries.

I hope that the Government will enhance their policy by having greater regard to the quality of the proposed investment and the activities being undertaken, whether they involve the transfer of technology or of management knowledge, skills, and technical knowhow. Such things would greatly benefit us, and some types of investment are not of such high quality.

Arguments on the map are inevitable. I am aware that some areas face special difficulties.

Mr. Bill Walker (Tayside, North): My hon. Friend must agree that he cannot simply say that arguments about the map are inevitable. The area encompassing Blairgowrie, Pitlochry and Aberfeldy has been declared a travel-to-work area but no logical person imagines that people will commute on roads in that area during the winter. Indeed, I have invited Ministers to come with me and get stuck in the snow.

Mr. Henderson: I understand my hon. Friend's point, but he has questioned the definition of a travel-to-work area. I hope that none of us disagrees that the travel-to-work area is an appropriate building block from which to

[Mr. Henderson]

construct the map. We all know of areas where travel-to-work areas could be defined better, and I hope that the Government will continue to consider those problems.

Scotland's relative position in the United Kingdom economy has improved markedly in the past few years. I hope that the day will come when Scotland has no development areas, as that will be the day when we have achieved the object of regional policy, which is to iron out discrepancies. I understand that Scotland was eighth in the list of areas in the United Kingdom showing gross domestic product per head of population in 1971. We are now third. Average male earnings are now higher only in south-east England. These are substantial changes, and it would be surprising if they were not reflected to some extent in the map.

In the United Kingdom as a whole there has been continuous growth for three years. Unemployment has risen but, mercifully, the pace has been slower. In the past year there has been significant growth in the number of people employed. I believe that, were it not for the miners' strike, the 20-year trend of rising unemployment would have been reversed last year. I hope that the tide will be turned this year. I hope that the growth will help in every area, especially Scotland which has had enormous success in the new industries of the future. I also hope that help will be given to people in areas which, for social reasons, have been singled out for better targeted regional policy.

6.23 pm

Mr. Paddy Ashdown (Yeovil): The hon. Member for Fife, North-East (Mr. Henderson) might hear about the speech that he has just made when he fights the next general election.

Two great problems face Britain today. The first is that we are increasingly becoming a divided nation — between rich and poor, north and south and employed and unemployed—and the second is that our industrial base has been allowed to wither away. We shall not have the stability and prosperity of the past until we find the means by which to reverse that trend.

One of the greatest instruments, if not the greatest instrument, that the Government have to address both of those problems, and at the same time, is regional policy. Regional policy is at the centre of the current political debate. It is a talisman by which we might judge the Government's seriousness about tackling Britain's fundamental problems.

Many right hon. and hon. Members have spoken in intimate detail of the Government's new policy, and I gather that many more will do so today. I shall address myself to some of the broader issues. The first concerns what regional policy will do to the British economy. We must measure the scale of the problem before deciding whether the means that the Government have chosen are appropriate and adequate. Britain has economic problems, but not because of the price of oil. Oil is the symptom rather than the underlying weakness. Britain's industrial base has been allowed to wither away since 1979. Non-oil trade was £2·75 billion in surplus in 1979 whereas in 1984-85 it is likely to be £11 billion in deficit, despite the fall in sterling. The world has suffered from the recent instability in currency rates, but once again Britain has suffered more. We have become a one-commodity economy—a kind of banana monarchy, the banana in our case being the price of oil. That underlying weakness in our industrial base, which the rest of the world recognises, makes us vulnerable to every new small wave that hits the monetary system. Manufacturing in the third quarter of 1984 was down 11·6 per cent. on the third quarter of 1979.

We can get by for a few more years on the temporary opiate of oil revenues, but the underlying weakness of our economy causes the greatest problems. What means have the Government chosen to overcome that? Not regional policy, as we heard from the Secretary of State. They have chosen the force of the market—what the Chancellor of the Exchequer describes as the creation of an enterprise economy. We do not see too much evidence of that bearing fruit. The International Monetary Fund's sixth annual report on international competitiveness puts Britain in 14th place out of 28 in a list that includes Mexico, Brazil, Portugal and Ireland. On the Government's criteria we are performing less well than the Netherlands, Norway, Austria, Saudi Arabia and Luxembourg. That is some enterprise economy.

In the area of enterprise that the Government consider most important — information technology — we have slipped from having a surplus in trade to a £150 million deficit. Moreover, it is predicted that we shall have a £1 billion deficit in 1990. It is a supposedly expanding area of our economy, yet, according to the National Economic Development Council's recent report, information technology, far from providing more jobs, will provide 2,500 fewer jobs this year.

Against that catalogue of decay and decline, we must review the Government's regional policy. It is clear that the Government are not matching their actions to the scale of the problem. They aim to reduce expenditure by £300 million. The cut is better expressed as nearly one half. Bearing in mind the scale of the problem, what Government would reduce aid to rundown areas — the very seat of our national decay? What Government would decide that there should not be more money to solve the problem but less? The answer must be only a Government who are blind, irresponsible or trapped within their ideology. Many of us believe that the Government show signs of all three, but I suspect that the chief reason is their ideology. They do not believe in regional policy. That is why they have cut spending by nearly one half. They have the spurious idea that the free market can be let rip— the very policy that has brought about the industrial decline from which we now suffer.

I believe in free market forces. They are there, and need to be manipulated and controlled for the benefit of society. But we cannot leave them totally uncontrolled. If we do so, they become the very instrument that widens the divisions in Britain. The south of England's free markets have become the north of England's lost hopes. That is why we must consider whether the Government's regional policy does anything to lessen those divisions. I believe that it will do little, because it will not meet the underlying necessity of getting the economy moving in the centres of decay, or of solving the problems of unemployment.

I am delighted that the west midlands is included, but the resources that the Government have put in are totally inadequate to the task. It has been calculated that one in every nine jobs there has been lost. That amounts to 250,000 jobs. The west midlands has declined more than

any other region in Europe. West Yorkshire, included in the worst 25 per cent. of European regions, has now been gratuitously excluded from any access to EEC funds.

I have outlined the key points, but of course there are other points of detail. As my hon. Friends the Members for Berwick-upon-Tweed (Mr. Beith) and for Truro (Mr. Penhaligon) have said so eloquently on previous occasions when talking about Amble and Cornwall, the Government's policy is hopelessly inflexible. My hon. Friend the Member for Truro said that a sixth-former with a calculator and three or four hours in a library could produce a better scheme, and how right he was.

The shift from automatic to selective aid will produce a more bureaucratic system and will increase the power of civil servants over what happens. The £10,000 job limit that has been instituted for automatic aid is far too low. Indeed, in 1977 the Department of Trade and Industry itself set a limit of £7,000 for selective financial assistance. Thus, £10,000 is far too low.

We are also concerned about the missed opportunities. A regional policy could do so much. It could form the framework for local initiatives and community enterprise. It could specifically promote the new technologies to replace the old industries, along the lines proposed, I think, by the hon. Member for Thanet, North (Mr. Gale). It could encourage self-help and the self-employed, and improve labour mobility. It could build new hope where there is now despair. It could form a central pillar of a new strategy to regenerate Britain's industrial base.

I fear that the Government's policy will do none of that, for this Government have no commitment to the idea of regional aid. The real purpose of their policy is cost-cutting rather than industrial regeneration. These proposals will do very little to reverse the underlying decay of Britain's industrial base, and will do nothing at all to bridge the terrible divisions in Britain, which now threaten to tear apart our nation. That is why we shall vote against the proposals.

6.32 pm

Mr. Paul Marland (Gloucestershire, West): I find the remarks of the hon. Member for Yeovil (Mr. Ashdown) extraordinary. He seems to think that money grows on trees. It is a stale old argument to say that it is too little, too late. The hon. Gentleman seems to want to aid everybody north of Watford and west of Newbury. If one helps everybody a little, one ends up helping no one. It is quite right that the Government should have had a close look at a rearrangement of regional aid, because many taxpayers in this country rightly look to us to obtain the best value for money. We need to help those in need properly instead of helping everybody a little.

Mr. Ashdown: Will the hon. Gentleman give way?

Mr. Marland: I shall not give way, as I have only 10 minutes in which to speak. The hon. Gentleman had his 10 minutes, and I shall have mine.

My speech will be somewhat different from some of the contributions that have been made, because the citizens of Gloucestershire, West are well pleased with the announcement. They have received intermediate area assistance, and that puts them on an equal footing with south Wales. A lot of local effort has been put into achieving official recognition of our problems. Indeed, it has been a good year for the Forest of Dean, as that has also been designated an area of rural development by the Development Commission. I am confident that those two new sources of income will go a considerable way towards cutting our unemployment rate, which now stands at more than 17 per cent. That assistance has come in the nick of time. Several firms in the district had plans to move their enterprises away to adjoining assisted areas if that assistance had not been forthcoming. Now that we have that intermediate area assistance, those firms will stay put and expand in the Forest of Dean, thus creating more jobs for those in the area. I am confident that new firms will also be attracted to the area with the extra aid now available.

As other hon. Members have said, we are also now eligible for Euro funds, which will be of great assistance. Prior to the announcement from the Department of Trade and Industry, massive local efforts had been made by both local firms and the Forest of Dean district council to stem the tide of rising unemployment, but it was an uphill battle and unemployment now stands at more than 17·5 per cent. Now, by recognising our problems, the Department of Trade and Industry has given the local job and wealth creators great encouragement.

Since I was first elected in 1979, unemployment has been my biggest and most difficult ongoing problem. I have personally explored many schemes and ideas to get more job opportunities into the district. Some of that I did on my own, but more often others have been involved. The range of ideas has been enormous and ingenious. There have been individuals with ideas for making furniture and ornaments from scrapwood given by a local sawmill, and there has been the mighty Rank Xerox spending £500,000 on developing the Mitcheldean enterprise workshops, recently opened by the Duke of Kent. Actually, he could not get there because of the fog, but that was the original plan. In addition, the local authority was worried about financing and developing the Forest Vale industrial estate or running a spine road through its new development at Coleford.

Much courage and determination have been demonstrated in the Forest of Dean, and it is fitting that extra outside help should now have arrived. Many have been involved in winning that help. Gloucestershire county council has been actively involved in giving advice and support, especially in the preparation of formal submissions to the Department. However, by far the most constructive and consistent support that I have received has come from the Forest of Dean district council. My job as spokesman for the district has been made much more effective, thanks to its help and support.

I should like publicly to pay tribute to the senior councillors and council staff who have done so much to achieve this national recognition of our local difficulties. That recognition is made all the more significant by the fact that we are not, by any stretch of the imagination, all of the same political persuasion. But under the steady hand of the council chairman, Arthur Cooper, we have genuinely bridged the party gap to work in the best interests of the district. My hon. Friend the Minister of State, the hon. Member for Kingston upon Thames (Mr. Lamont), and my hon. Friend the Under-Secretary of State, the hon. Member for Rossendale and Darwen (Mr. Trippier), are only too well aware of the endless delegations that I have brought to see them to discuss the

[Mr. Marland]

matter, and of my own persistent nagging in the Lobbies and elsewhere. I think that I have tried their patience to the very limit, and I thank them for being so tolerant.

I am especially grateful—indeed, we all are in the Forest of Dean—to my hon. Friend the Under-Secretary of State for the consistent and careful attention that he has given to us. On many occasions, in his role as Under-Secretary of State, he has visited the Forest of Dean, and on every occasion he has shown great consideration and understanding of our difficulties. On behalf of all my constituents and myself, I should like to thank him most warmly.

Mr. Colin Shepherd (Hereford): Perhaps the thanks of those in the Ross-on-Wye travel-to-work area could be coupled with those of my hon. Friend. The coupling of the Forest of Dean and Ross-on-Wye travel-to-work areas is significant and important.

Mr. Marland: I know that our mutual hon. Friend took the opportunity to visit both places. I thank my hon. Friend for adding his thanks to mine.

I now take the opportunity to bring to the attention of the House a further problem that is causing anxiety in Gloucestershire, West and in other constituencies. It relates to the poor and underdeveloped infrastructure of the Forest of Dean. There is no doubt that that needs to be developed to sustain and cherish our new development status.

The council sought permission from the Department of the Environment for an additional allocation of funds for specific areas of expenditure in that regard, but was refused. As a matter of broad principle, I understand that refusal, but I am sure that the Forest of Dean is not the only district to become a special case regarding new development.

As the Department of Trade and Industry has decided to invest in the area and its development, would it be in order for it to steer the Department of the Environment towards having another look at infrastructure developments in development areas? For example, the Forest of Dean district council is sitting on about £2 million of frozen capital assets. Could they be unlocked for specific projects relating to infrastructure development? No further borrowing would be required and it would be an excellent way to use the money locally. I should be grateful if my hon. Friend would answer that point when he replies.

Today is a good day for the Forest of Dean. The national recognition of our problems is a great encouragement to the district, which has already done much locally to help itself. With these extra funds, much more can be done. I should like to assure you, Mr. Speaker, and all hon. Members that every penny will be spent wisely.

6.41 pm

Mr. Gareth Wardell (Gower): In the first quarter of last year the Select Committee on Welsh Affairs, of which I am privileged to be Chairman, examined the impact of regional industrial policy on Wales as a response to the Government's White Paper on regional industrial development. The conclusions and recommendations were based on the wider spectrum of opinion in Wales. It was clearly established that, while there was room for substantial savings by more cost-effective regional aid, a continuing commitment to regional policy would mean that the savings should be used to make more generous provision. The Committee recommended, for example, that assisted area status should be given to the whole of the Principality.

The Welsh Trades Union Congress, the Welsh Confederation of British Industry, local authorities and Government agencies are all dismayed at these measures. The consensus is that they have nothing to do with regional policy. Public expenditure cuts are the real motive behind them.

There is a desperate need for an effective regional policy for Wales. We need to attract foreign and British investment that will bring jobs and economic regeneration. Whereas nationally before 28 November 1984 special development area and development area status aid used to cover 22 per cent. of the working population, it will now cover only 15 per cent. in SDAs in Wales. Development area status aid used to cover 90 per cent. of the working population but has been cut to 35 per cent. That is a savage reduction and makes nonsense of the Minister's recent answer:

"Wales has been treated fairly." — [*Official Report*, 28 November 1984; Vol. 68, c. 941.]

The Secretary of State for Wales (Mr. Nicholas Edwards): I do not understand the hon. Gentleman's comment because approximately 90 per cent. of the working population of Wales are still within the areas covered by the regional assistance package.

Mr. Wardell: I understand the point of the Secretary of State, but there has been a massive shift from those areas that qualified for a high rate of assistance towards intermediate area status, which does not qualify for regional development grant.

Bridgend has lost its special development area status and has been deflated to intermediate area status. Other new intermediate areas that have lost their development area status include Swansea, Llanelli, south-west Dyfed, Cardiff, Newport and western Gwynedd. Most of those are the large areas of population in the Principality.

Former SDAs relegated to an inner tier category will have their capital grant cut from 22 per cent. to 15 per cent. That tier will carry an additional burden. Any firm employing fewer than 200 people — the majority of Welsh firms—will be limited to a job grant of £3,000 for each new job created. It is interesting to note that, in evidence to the Welsh Select Committee, the Welsh Development Agency set the appropriate and reasonable figure at £15,000 — a factor of five greater than the Government's figure. The figure is miserly in the extreme, especially when one remembers that it costs £6,000 a year to keep a person on the dole.

Even in those areas which will qualify for maximum regional assistance, aid is no longer automatic. A discretionary element has now been introduced, even into the formerly automatic regional development grant. Not only is it an increase in the centralisation of decision-making, which will complicate the forward financial planning of existing and prospective firms, but it leaves a tier open for further reductions in assistance.

Already there are delays in processing applications for aid, although the moratorium today may ease that. Yet the Government have not announced any plans to increase staffing levels in the Welsh Office and to invest to cope with administering the new layer of red tape.

The policy represents a 20 per cent. cut in the Welsh economy—a figure that will save £60 million this year. The pill is all the more unpalatable because the Government have no plans to redistribute that amount.

At present, land reclamation schemes totalling £100 million have been submitted by Welsh local authorities to the WDA. Many of the schemes are geared to potential industrial use, yet WDA funds for the schemes have been cut to £39 million over the next five years. Will the Government use some of that saved Welsh regional aid money to restore the cuts? It is recognised that a massive training programme to update workers' skills is needed. Will the Government divert part of the £300 million saved nationally into this sector? No. Instead they are planning to close successful skillcentres, such as the one in Llanelli, which serve my constituency of Gower.

Furthermore, despite the stated intention of the Secretary of State for Employment to extend the community programme scheme, he has just changed the qualifying criteria for the MSC scheme which is geared to the long-term unemployed. In all but name, it is a cut that will mean that fewer people are able to take advantage of the scheme, and that the number of people who will be eligible to use their work skills as instructors for retraining others will be drastically reduced. The Government could redistribute some of the saved money into this sector to extend job creation for the long-term unemployed.

If the Government win the battle with the miners, almost all Welsh pits will close.

Mr. Nicholas Edwards: Rubbish.

Mr. Wardell: NCB Enterprise Ltd. will be given another £5 million, which will mean a total budget of £10 million for job creation initiatives in what will become economically derelict communities. How much of the £300 million saved will be reinvested in the mining villages of Wales? The Government cannot sell this programme as a new regional policy. It flies in the face of the economic and social hardship being experienced by the Welsh people as a direct result of the Government's obsession with spending cuts——

Mr. Nicholas Edwards: Rubbish.

Mr. Wardell: —and ignores the many measures that are needed to bring relief and to rebuild the Welsh economy.

Mr. Ray Powell (Ogmore): While my hon. Friend has been speaking, the Secretary of State for Wales has been shouting, "Rubbish". Could my hon. Friend clarify his statement about the closure of collieries in Wales?

Mr. Speaker: I should tell the hon. Gentleman that he has only one minute in which to do it.

Mr. Wardell: If my hon. Friend does not mind, I would rather continue my speech.

There is no effort in those measures to redistribute to other job creation and economic regeneration opportunities the £60 million a year that will be saved from regional aid. The Opposition believe that the change will be disastrous for Wales. It represents the death of regional policy, and I wonder whether all that the Government are saying is that this policy should rest in peace.

6.51 pm

Sir John Osborn (Sheffield, Hallam): This debate must be taken in the context of the Chancellor of the Exchequer's statement on Monday, the debate on unemployment on Tuesday, and yesterday's debate on the rate support grant. It cannot be taken in isolation. My hon. Friend the Member for Fife, North-East (Mr. Henderson) mentioned the OECD. I should tell him that at the end of the month the Assembly of the Council of Europe will debate the economic position in Europe. That is an annual debate based on the OECD report. I am the rapporteur to that debate, and I have already sent a provisional draft of my report to my hon. Friend the Minister of State.

My contribution to the debate will be about Sheffield, which the right hon. and learned Member for Monklands, East (Mr. Smith) visited recently. All countries suffer from regional disparities and "jobless" growth and often the differences within countries or regions are as great as those between them. In south Yorkshire, for example, as against the north of Yorkshire, unemployment is almost 17 per cent., and in Sheffield it is slightly more than 15 per cent. About 44,000 people from a population of half a million are out of work. Those appalling figures must burn on any Member of Parliament who represents such an area.

After a period of high unemployment, regional discrepancies become even more marked and society even more divided between those with a job and those without, and, increasingly, between north and south. That is why people who live in different areas perceive the present economic position so differently. We have heard that theme often in the Chamber this week.

The Government's new regional policy, announced in November and explained today, is one that I welcome greatly, because I believe that it will lead towards more cost-effective, selective and job-related policies. However, with my hon. Friend the Member for Gloucestershire, West (Mr. Marland), I am prejudiced, because I welcome the fact that Sheffield has been granted intermediate area status, which will enable the city to qualify for assistance from the Government and from the European regional development fund, with which I was much concerned when I was a Member of the European Parliament. My anxiety is that the new status should be used properly.

Important though regional policy is, it is wrong to expect too much of it. Some of the criticism that the policy has encountered arises perhaps from false expectations. Today we debated the moratorium, but I have noted that regional policy capital investment decisions made by the Conservative Government more than 20 years ago on such projects as Llanwern and Ravenscraig, and some of the car factories in Scotland, could be described today as not the best way of using limited capital resources.

High costs of wages and—this is especially true of Sheffield—electricity can precipitate decline. That is certainly true of the Sheffield steel industry. The whole industry has lost 60 per cent. of its work force since 1979. The consequences of unemployment and poverty are tragic. The bishop of Sheffield, in a well-thought-out address to his diocesan synod in November, the full text of which he sent to me, was concerned about the north-south divide. He achieved publicity for inviting the Queen to the Doncaster races. The gap is bigger than it was 25 years ago, and that is a fact from which no Government can run away.

Self-help is also important. I have been associated with the Sheffield industrial mission and Mr. Peter Lee, who is chairman of a surviving steel firm, happens to have made one of several contributions of interest. In his paper,

[Sir John Osborn]

he said that there was no reason for long-term pessimism that the nation has an unsatisfied demand for goods and services and that there is a supply of people willing to work —a point that I reflected in my OECD report.

In previous debates, I have given my analysis of the decline in the Sheffield steel industry and of why, because of cheap energy and the availability of raw materials, the industry has moved elsewhere in the world. However, a fundamental start in Sheffield would be to have hope for the area. Far too often, all that we hear from Sheffield is gloom and doom. That is not the case. It will be a surprise to many to learn that the chamber of trade, with which I have been in touch this week, has reported a boom in the retail trade, with sales before Christmas 15 per cent. to 30 per cent. up on last year, and record January sales. That means that there is purchasing power in Sheffield. It must be recognised that living standards have increased—the statistics show that they have. The EC and the OECD state that, on average, people in Europe are better off than they were five or 10 years ago. The citizens of Sheffield have purchasing power, despite the fact that they live in a depressed region, and the Government are rightly keen that this be channelled to the right areas of development.

The trouble is that Sheffield city council has followed a path of high current expenditure at the expense of capital expenditure. The policy has been disastrous to local industry. Rates have soared, and the chamber of commerce has urged me to do something about it. That is why I supported the Rates Act 1984. Rates have also driven residents out of the city, and migration from the cities is probably the biggest cause of regional disparity in Britain today. A wrong attitude of the council towards intermediate area status could throw away an opportunity, as was highlighted in an article in the *Financial Times* this week.

There will soon be a debate on Heathrow, Stansted and Gatwick airport policy. I have received representations from the North of England Regional Consortium. Fifteen years ago, I would have resisted a large expansion at Stansted, because I favoured Maplin. In 1976, the Labour Government introduced the Maplin Development Authority (Dissolution) Act, and it was a Labour Government who turned their back on the channel tunnel —two examples of capital projects that could have kept people off the dole queues for the past seven or eight years. It is good regional policy to expand air traffic from and to the north. I hope that the Minister of State and the Secretary of State will consult my right hon. Friend the Secretary of State for Transport and encourage him to increase flights to and from the north, which could well do more to help the area than would a regional policy such as the one outlined.

Today some Opposition Members asked for a debate on the coal strike. One tragedy is that Arthur Scargill, with the overt or covert support of Opposition Members—the demonstration in the Chamber today may have been an example, as was the appearance of the right hon. Member for Islwyn (Mr. Kinnock) on the Welsh picket lines and even the support of Sheffield city council for the NUM —has chosen a strike for political ends. Steel workers have learned to their dismay that a strike today can only accelerate an appearance on the dole queue tomorrow. I hope that this will not be the case with the railwaymen.

The Labour party today, as exemplified by Opposition Members, has demanded from the Secretary of State a more active regional policy. They should consider the extent to which they are perhaps not so much destructive as lacking constructive opposition in their conduct and attitudes, particularly in an area like Sheffield. They are forcing the northern region to take two steps backwards for every step forward by my right hon. Friend the Secretary of State for Trade and Industry.

7 pm

Mr. John Forrester (Stoke-on-Trent, North): When the Government announced that they would review the regional aid programme, they got a lot of support. Many people acknowledged that there were weaknesses in the previous system. In some cases too much money had been given to capital-intensive industries, with little effect on employment. There was some job shuffling between areas to take advantage of grants, although it is difficult to see how this could be eliminated.

Now we have had the review, which took a long time in coming. The Government seem to have pleased very few people, unless one lives in the Forest of Dean, when obviously it is a great advantage. It may be acknowledged that there was some success with previous regional policy if employment in some areas improved sufficiently for them to be taken out of these proposals. If that is so, it is most regrettable and beyond comprehension that regional aid should be reduced from £700 million to £400 million per annum. The Minister must accept that there is growing disappointment at the fact that the Government have lost a great opportunity to take positive steps forward.

I hope that the percentage of the working population to be covered by regional aid, 35 per cent., is not immutable and that the Government will be open to persuasion that other areas have a good case for inclusion. For a number of years, it was increasingly clear that something dramatic was happening in the west midlands. I am pleased that the Government have recognised that, although there will obviously be arguments about the size of the area and the amount of aid. Early-day motion 265, in the name of some Conservative Members who live in the area, extols the virtue of Government proposals and refers to how successful they have been in this short time in getting industry interested. The Government should take note of that, accept its wisdom and logic and bring forward proposals for a wider and more generous approach to regional aid.

The Minister of State and the Secretary of State have said that when the maps were being re-drawn, present and future employment prospects were taken into account. Forecasting the future can be a hazardous occupation, as any betting man will confirm. I cannot recall that during the 1979 general election today's level of unemployment was forecast by anyone in any party. The forecast can be only a rough guide. There will be local hiccups, some of which will be beneficial, while others will be disastrous.

To make a constituency point, in Stoke-on-Trent last week we suffered one of those disasters. The Michelin tyre company has announced 2,400 redundancies, with no time for alternatives; most of the people must be out of work by the end of April. In December 1984 unemployment in the Stoke travel-to-work area was 12·4 per cent. These redundancies will put the figure up to 13·6 per cent. and the knock-on effect will take it to at least 14·4 per cent.

Stoke has had one of the fastest-growing unemployment rates in the country. Between 1979 and 1984 it rose by 173 per cent. against the national average of 140 per cent. In the city 45 to 47 per cent. have been unemployed for more than a year. The national average is 39 per cent. In some wards unemployment is nearly 20 per cent. Stoke-on-Trent is a typical old industrial area with too narrow an industrial base, depending on pottery, coal, steel and tyres. Over the past few years, we have lost nearly 30,000 jobs in those four industries. Nor does the city have any soft cushion of expanding service industries, because 48 per cent. of the working population are in service industries, against an average of 60 per cent. nationally.

The unemployment rate must be a major factor in deciding the amount of regional aid, but the infrastructure of an area is also a vital component. It will determine the ability of the area to attract new industries. Areas which have not experienced centuries of coal mining cannot understand how much underground dereliction there has been and the additional cost associated with any kind of building work, to guard against subsidence.

If a manufacturer learns that, as has happened in Stoke, a factory has subsided by 21 ft in 60 years or that a new factory has fallen by 12 in in one year and that it costs £60 per square metre to compensate for the possibility of subsidence when building a factory, then, all other things being equal, he is bound to think about going to an area which would not have those problems.

We are fortunate in having been chosen to host the 1986 national garden festival, which will take place on the site of the old steelworks. Without Government assistance that area would not have been reclaimed in this century. Even if the local authority had tried to find the money, I am sure it would have fallen foul of the rates legislation, which seems to change from day to day. Even in the Forest of Dean apparently councils cannot spend their own money on improving their infrastructure.

From the war to the recession, industries have been positively discouraged from coming to Stoke-on-Trent so as to maintain the labour force for the pottery and coal mining industries. That attitude might have been valid at the time but if such decisions are taken in the national interest, then when times are hard the Government have a moral responsibility to do something to help. By all accounts the decision on Stoke's appeal for regional assistance was marginal. I hope that the Government will accept that there is a new situation and that the case put forward by Stoke is beyond dispute.

Apart from the possible social consequences of decay and neglect, it is folly to allow old industrial areas to die a slow death. If the infrastructure is tatty and needs modernising, let us remember that those communities have evolved over the last 300 or 400 years. One cannot recreate on a green field site the qualities of stability of the people, the good sense and skill of the work force, and the commitment of workers and management alike to an area.

It is the Government's job to assist in repairing the damage to the old industrial areas of this city by providing a springboard for the city to advance into the future. We are not seeking charity or a meal ticket for life; we are asking for assistance now so that we can work out our own destiny.

7.9 pm

Mr. Michael Fallon (Darlington): I am delighted to be the first speaker from the north-east to be called in this debate, because no region has seen more clearly than the north-east the failing of regional policy as practised by successive Governments. Year after year, our region has received between 20 per cent. and 30 per cent. of the resources made available in regional aid. Year after year, the decline in employment opportunities and the imbalance in our industrial infrastructure have continued. There has been a continued lack of home-grown entrepreneurship.

I applaud the White Paper and the background paper "Some Economic Issues" for widening the understanding of the failings of previous regional policy, for setting out the enormous costs of subsidising capital projects and for showing the statistical difficulty of calculating the cost of secondary employment lost elsewhere through high taxes and demonstrating the uncertainty that exists about whether the projects that were backed would have been located in those regions anyway.

There is now a recognition of those failings not just among industrialists and academics but among some surprising commentators. My hon. Friend the Minister might be interested to learn that Harry Meed, a commentator for *The Northern Echo*—by no means a Conservative paper, and usually a fiercely independent critic of the Government—said in an article about the Minister's statement in November headed "Cash move in right direction":

"the Government is surely right in claiming that most of the schemes now receiving grant support, like ICI's new £30m nitric acid plant at Billingham (ten jobs) would go ahead anyway.

Extra jobs for the future are unlikely to be created by the industries now mopping up the scarce Government cash. But most people will ultimately recognise that the Government's shift in policy is not merely correct but long overdue. At £35,000 for every new job created, the industrial-aid bonanza just had to stop."

That leaves the Labour party alone as the defender of the old system. It makes a pretty strange defender of some of the capital projects that have been backed in the past. The defenders of regional policy say only that the decline in our industrial areas might have been faster without the regional aid that has gone into them. In the meantime, the cost of £35,000 per job—the average cost of previous regional policy—to create jobs in some industries is paid for by other industries, including service industries, and other areas.

If my hon. Friends complain that other regions in the United Kingdom subsidise the north-east, I might well reply that Darlington is an intermediate area which in the past has subsidised the special development and development areas elsewhere in the north-east region.

The new policy will benefit my constituents in Darlington, first because the cost to Darlington taxpayers will be reduced, leaving firms in Darlington more to invest in our own area; secondly, because service industries in the north-east are to be included for the first time—that is a significant development in a region like ours which has been dominated by heavy industries — and, thirdly because we have retained our assisted intermediate area status, which will allow us to receive selective assistance of the kind that has benefited us well in the past and will continue to enable us to attract European investment and regional development fund money. I am grateful to the Government for recognising our case.

Criticism of the Government's changes has been ill-judged and, in the case of the chairman of the development committee of Darlington borough council, has been

[Mr. Michael Fallon]

wrong. He was wrong to say that the policy means less aid. For a town like Darlington it will mean more money on the selective side. He was wrong to say that the policy will mean fewer opportunities, because hundreds more companies throughout the north-east in the service sector will become eligible for the first time. He was wrong to say that Darlington will lose to other parts of the north-east. It has always been true that a district such as Darlington has not done as well under these regional subsidies as other parts of the north-east. You, particularly, Mr. Deputy Speaker, will know that other parts of the north-east have been hit much harder by the imbalance in our industrial infrastructure and the recession.

Darlington has a responsibility for Shildon, to name but one area. It is right for more aid to go to where it is needed most. I am surprised that, of all people, a Socialist councillor, such as the chairman of my development committee, does not recognise that fact.

On balance, the Government have got it right. I welcome the switch from automatic to selective assistance —a switch in emphasis at least. I welcome the switch from capital projects to job creation. I congratulate my hon. Friends in the Department on their skill in ensuring that such a large area of the country is still eligible for European help and that that area is larger than it was.

It would be idle to suggest that £300 million, or even £3 billion, will restore the north-east to prosperity. In many ways, the best regional policies are the Government's general economic policies. The best regional policies include the policy of keeping the lid on inflation, and that is worth far more in financial terms to companies, industry and people in the north-east than regional development grants. The best regional policies include the policy of switching support from the loss-making old industries under the Department's budget to the new technology industries and to smaller businesses. That is worth more in financial terms to the north-east than regional development grants.

Our task in the north-east in bringing jobs into the region and in creating more jobs there is simply to make the north-east more attractive than any other region. That is the only reason why companies will come into and grow in the north-east. Instead of spreading doom and gloom about the region, as the series of reports by the North of England County Councils Association does, local authorities should start to guarantee lower rates than elsewhere. When Middlesbrough rates companies at £2·30 in the pound as against Mole Valley's rate of £1·64 in the pound, when Stockton rates companies at £2·13 in the pound as against Slough's rate of £1·52 in the pound and when Darlington imposes the highest rate in the county of Durham at £1·97 in the pound as against Bracknell's rate of £1·52 in the pound, is it any wonder that companies go on locating in the Thames valley and the south-east rather than in the counties of Cleveland and Durham?

Mr. Michael Meadowcroft (Leeds, West): Will the hon. Gentleman give way?

Mr. Fallon: I am sorry. I shall not give way because I want to keep strictly to the ten-minute limit.

Instead of draining £350 million a year in rates away from business in the north-east it is time local authorities asked themselves why they have the highest proportion of council housing in the country—higher even than in the Soviet Union and Czechoslovakia—at 41 per cent. That is the highest proportion of public housing in England. What is the point of spending all those millions of pounds subsidising council housing and public transport and giving the unemployed cheap rented houses and free passes on the buses but not giving them jobs? Through local authority policies, other constituents in the north-east are becoming trapped in unemployment on huge council estates — away from the jobs to which they wish to move.

Trade unions and management in the north-east must do more to reduce the cost of labour. They must do so not simply by tackling demarcation, excessive overtime and the restrictive practices that have increased the cost of labour and kept other people out of work, but by looking again at the wages they pay. It is no accident that the most heavily unionised region in England has the highest unemployment. Ten years ago, the north-east had the highest average male earnings outside London and the south-east in the United Kingdom, and that remains true today.

If I have one regret about the debate on the White Paper it is that there was not more discussion on the extent to which wage flexibility might be encouraged to restore some of the imbalance in employment opportunities that the rest of the Government's policy seeks to reduce.

7.19 pm

Mr. Stan Crowther (Rotherham): The hon. Member for Darlington (Mr. Fallon) will understand if I do not comment on his speech.

The Secretary of State, in opening the debate, proved conclusively that he had not the slightest inkling of the real nature of the problem. In view of that, I suppose that we cannot really expect him to come up with a solution. To be fair, it has to be said that his predecessors have not come up with a solution either. The difference is that the Secretary of State is going to make it worse.

The purpose traditionally of regional policy has been to try to iron out the regional imbalances in the level of economic activity. It has to be said that, measured against that objective, regional policy has failed miserably ever since it was introduced. The differential in unemployment levels between the most prosperous and least prosperous areas of Britain is still much the same as it was except, of course, that the totals have enormously increased at each end of the scale. In my constituency, which I quote merely as an example, the unemployment level for at least the last 20 years has been about one and a half times the national average or more. When the national figure was 4 per cent., in Rotherham it was 6 per cent. Now that the national average is about 12 or 13 per cent., in Rotherham it is 21 per cent. Nobody can pretend that our past policies or existing policies have narrowed the gap.

Rotherham has been an assisted area since 1966. I make that point to show that our existing policies have certainly not solved the problem. I accept that the position would have got much worse had we not been an assisted area, and I certainly do not urge the Secretary of State to take away our status. However, I am saying that a policy which is based solely on the idea of giving financial inducements to persuade somebody to build a factory in one place rather than another has manifestly not solved the problem that we are debating. It does not work.

There is therefore, in my view, an obvious need for a complete reappraisal of regional policy now, yet in spite of that the Government do not take this opportunity. All they can suggest as they stand at the bedside of a desperately sick patient is, "Keep taking the tablets but do not take quite as many as you did before and do not take them in the same place."

Mr. Gordon Wilson (Dundee, East): There is rather a restricted list, too.

Mr. Crowther: There is indeed a restricted list, as the hon. Gentleman points out.

There must be no doubt, as my hon. Friends have pointed out, that the sole object of the changes announced on 28 November is not to make the policy more effective, but only to make it cheaper. I cannot understand why the Government should think that it is so desperately important to save £300 million in two or three years' time when that same Government have now been shown on the information which emerged only last week to have lost £4,000 million of the taxpayers' money on the sale of British Telecom. Are they getting their priorities slightly wrong somewhere?

I suggest that there is a need to re-examine not only the operation of regional policy but the philosophy that underlines it. Twenty years ago when the present regime of regional assistance came in, in about 1965, the object was to spread economic prosperity. At that time there were regions of the country which were grossly overheated. That was all right at the time, but today there is precious little prosperity to be spread.

In my view, a new regional policy needs to be developed which is an integral part of a national policy for economic regeneration. I refer to the economy here as meaning the real economy which is based on the production of goods and services and not simply moving money around in the City of London. The new policy needs to be based on bringing back into the service of the nation that great pool of skill and experience which is now lying on the waste heaps of unemployment.

In my own region of Yorkshire and Humberside, 13 or 14 years ago I helped with other people to set up the Yorkshire and Humberside development association. I was the chairman of it for some years before coming into the House. The Government, to their credit, are giving substantial financial help to that association in its efforts to promote the region overseas, as, indeed, they give help to other regional associations in other parts of the country.

The same Government who spend hundreds of thousands of pounds on helping regional associations to try to persuade industrialists in Japan, United States or Scandinavia to come and build their factories in Britain are quite happy to allow billions of pounds worth of capital to be exported from the country every year, creating jobs by the thousands in other parts of the world. I see a total inconsistency in this — in fact, the inconsistency is breathtaking.

For two centuries the Yorkshire and Humberside region made a massive contribution to the wealth of the country through its traditional industries—textiles and clothing, steelmaking, engineering, fishing, coal mining and agriculture—and in every one of those industries there has been a huge drop in the number of job opportunities over the past 10 to 20 years. I will not go through a lot of statistics; I mention only one. In the manufacturing industries in the Yorkshire and Humberside region in 1974 there were 764,000 jobs and by the middle of last year that number had dropped to 514,000—a loss of one third of the jobs in manufacturing. Those have not been replaced, of course, because of the failure of regional policies. That is the problem that we face.

I shall certainly not—and it would not be right for me to do so — go through the arguments that were advanced by my hon. and right hon. Friends in the debate in the House on Tuesday. But it is proper to mention that, if there were a plan for economic recovery in the country based on using the construction industry as the spearhead, which is what we were talking about on Tuesday, there would necessarily be a major regional dimension in such a policy because it happens that many of the areas with the greatest needs for investment in housing and other capital projects are also the areas with the highest levels of unemployment and the greatest potential for development. That is the kind of policy that we now need to be developing.

What I seek is a positive regional policy, not a negative one aimed solely at alleviating the misery. I believe that the Government today should be announcing the establishment of development agencies in the English regions and a massive programme of investment in those regions so that once again areas like my own and many more which are now suffering serious deprivation and unemployment could take their part in making this country once again a great industrial nation.

7.28 pm

Mr. David Sumberg (Bury, South): If ever there was an example of the positive way in which the Government have responded, in the words of the motion, to a

"closer alignment of the new Assisted Areas map to areas' relative needs for increased employment opportunities",

I would say that my right hon. and hon. Friends at the Department of Trade and Industry need look no further than my constituency and the metropolitan borough of Bury. I want to devote my remarks to the impact of regional policy on my constituency, because I think that what I have to say shows an interesting history and, indeed, that the Government are willing to listen to representations that are made to them.

In the past Bury was eligible for regional assistance, but, for reasons which are beyond me, it was withdrawn some years ago. As a result, the town, its commerce and employment prospects suffered immediately. Bury suffered not just because there was no longer any Government aid for projects, however worthwhile, or because it no longer had access to European funds, but probably because that there was a feeling of fundamental unfairness and injustice.

That feeling of injustice and unfairness stemmed directly from the fact that all the surrounding areas—Manchester, Rochdale and, in particular, Bolton, all constituent parts of Greater Manchester—were eligible for assisted area status in some form. As a result, because Greater Manchester is so closely interlinked with good travel facilities and communications, it became difficult, despite a local authority which pursued a policy of encouraging new business, particularly with its low rating policy, to tempt new business into the area and away from surrounding authorities.

An undoubted wrong therefore needed to be righted. If final proof of that were required, the recent publication of

[Mr. David Sumberg]

figures that showed an increase to over 17 per cent. in the level of unemployment in the travel-to-work area set the seal on it.

Local business opinion felt strongly that although it was more than content with and confident in its ability to compete with all comers, it was impossible to compete on such unfair terms. The community was outraged at the fact that the town remained an island in a sea of more advantaged areas. Therefore, my hon. Friend the Member for Bury, North (Mr. Burt) and I, helped tremendously by the local authority, the local business community and the trade unions, put the case to my hon. Friend the Under-Secretary of State for Trade and Industry. I appreciate, following the comments made by my hon. Friend the Member for Gloucestershire, West (Mr. Marland), that this may seem like the Minister's benefit match—I am sorry that he is not here—but I wish to pay tribute to his considerable patience, interest and, above all, understanding of the problems that I have outlined. The fact that he was a former pupil at Bury grammar school may have helped, but he saw the justice of our case.

The decision which was announced in the House on 28 November, which included the restoration of assisted area status for my constituency and the town which is part of it, was good news, because it recognised, after the unfairness that I have mentioned, that the constituency, with its over-dependence upon the paper industry and other traditional manufacturing industries of the north-west, was a classic case for some form of help.

I appreciate that, whenever one area receives assistance and others do not there is bound to be—my remarks have emphasised this—an element of unfairness. It is impossible to remove all inconsistencies, but the Government have tried to do that by their announcement. They have succeeded in many instances, and the fact that they have succeeded in the case of Bury has been received with considerable gratitude and relief in my constituency.

The people whom I represent undoubtedly have the skills, enterprise, energy and, above all, determination to succeed in the job of reviving their community. To adapt Churchill's words, they have now been given some of the tools by my right hon. and hon. Friends at the Department of Trade and Industry. For that reason, I shall have no hesitation in supporting the Government in the Lobbies tonight.

7.37 pm

Mr. Jack Thompson (Wansbeck): I am sorry to see that the hon. Member for Darlington (Mr. Fallon) has left the Chamber, because he and I represent constituencies in the north-east of England. The hon. Gentleman and one of his colleagues have been critical of a document produced by the North of England County Councils Association. He said that nothing happened in the northern region in the time of either the Labour or Tory Governments in the 1960s and 1970s. I know that, like me, he received the document on the morning that he made a press statement about it. He could not have had the opportunity to read it in depth or study its implications.

I shall quote a significant part of the document which is important for the north:

"Regional policy has been highly successful in the past. The Northern Region Strategy Team estimated that over the decade to 1973 Regional Policy generated some 50,000 more jobs in manufacturing industries in the North than might otherwise have been expected."

That shows the significance of the programme that was established in the 1960s and carried through to the early part of the 1970s for the north of England.

During the time that I have been involved in pursuing the interests of the north as a Member of the House, as a representative of my county council, as a member of the executive body of NECCA and for the past six years a member of the Northumbria water authority, one thread has run through all the reaction to Government regional policies. I can define it in one word—"inconsistency". Year by year attempts by industry and local authorities to take advantage of the meagre and reduced support given to the regions suffering long-term decline have been constantly frustrated by significant changes in regional aid. The lack of confidence in regional policy because of that constant tinkering has been reflected in the attitude of potential sources of employment planning to expand, locate or relocate in peripheral areas such as the north-east. Industrialists who have responded to the challenge to locate on a site qualifying for aid and setting up programmes for development and production are faced with a change in the rules which affects their ability to overcome the initial problems of starting or expanding their businesses. That is reflected in the November statement and even more so by the moratorium.

Before my election to the House I was leader of Northumberland county council and I had the opportunity to consult many industrialists in the north of England and not just in my community. Some were long-established in the region and some were enthusiastic newcomers. They generally all expressed the same view—they appreciated the enormous help given by local authorities but there was, and still is, a lack of confidence in long-term planning because of the constant changes in regional assistance which are usually to their detriment. I am sure that after today's announcement about the moratorium they will be sitting again with their calculators, computers and pieces of paper trying to work out what grants will be available from midnight tonight if they catch the last post.

Selected public expenditure figures for the United Kingdom covering regional specific measures were down from £1,065 million in 1978-79 to £715 million in 1984-85. Industrial measures fell from £3,351 million in 1978-79 to £1,886 million in 1984-85. Those years, 1978-79 to 1984-85, reflect a connection between the attitudes of the present Government and what actually occurred.

The reduction coincided with reduced opportunity for local government to increase its contribution to the improved infrastructure, to give direct assistance to job creation and to help with the expansion of the industrial base of their communities because of the penal rate support grant policies pursued since 1979.

I have been directly involved in that aspect as a member of a county council. I have witnessed the deterioration of the infrastructure of my county, and the local authority has been unable to do much about it. I congratulate local authorities on the splendid job they have done, taking account of the dramatic reduction in rate support grant.

My region is the one I know best and, from my experience there, I direct the attention of hon. Members to a fundamental issue which arises because my views conflict strongly with those of the Government. My hon.

Friend the Member for Rotherham (Mr. Crowther) mentioned this aspect. During the first industrial revolution, many thousands of people moved about the north of England, taking up work in the expanding industries of coal mining, heavy engineering, shipbuilding and steel making. The Tyne, Wear, Northumberland and Durham became famous for those industries, basically because of the availability of raw materials and the inventive skills of the northerners.

The north of England during that period was a major producer of wealth for Britain. Indeed, it can rightly be claimed that the foundations of the present economic structure of the nation was strongly based on the rich seams of coal and iron ore and the skills in heavy engineering and shipbuilding of that era. My hon. Friend the Member for Rotherham made a similar point relating to Yorkshire and Humberside. What he said did not conflict with what I have said, because the area to which he referred was basically the north.

Since the second world war, the changing face of the economy has created a virtual vacuum in the north, although there is strong evidence that that sad state of affairs need not have arisen had different central Government policies been pursued, including those of former Labour Governments.

The fundamental difference between the situation in the 19th century and first half of the 20th century and now is that today there is less need for workers to move to other areas for jobs. In other words, it is not necessary these days for me to get on my bike. There is more opportunity for jobs to move to people. However, this requires a degree of national planning and regional organisation, and they have been sadly lacking in the Government's policies.

I have time and again quoted an example from my constituency — it is probably the best example of a development anywhere in Britain — of co-operation between Government, private industry, nationalised industries and local authorities. A company known worldwide, Alcan Aluminium, decided in the 1960s to come to Britain. It wanted to establish a smelter in this country. There were extensive discussions between the Labour Government of the day, local authorities and others, and the company decided to establish at a place named Lynemouth in my constituency. That smelter is now one of the most productive units in Alcan's international activities. It sets a standard for the company's other production units.

In no way could Northumberland be associated with the aluminium industry before Alcan came on the scene. All we knew of aluminium was as a component part of pots and pans and as used in parts of aircraft during the last war. Today, aluminium is an important industry in my constituency, employing 1,100 people. The majority of them, working in Alcan's plant, have been retrained from other work, and I am told by the management that the factory supports perhaps 5,000 other jobs in the area.

We want to see more of that type of development in the north. It has happened to a degree, a recent example being Nissan. The local authorities had more influence on Nissan coming to the north-east than any other factor, and I congratulate the North of England County Councils Association. I was involved at the time when the five northern counties—all Labour-controlled, incidentally—got together and decided which two sites to put forward to Nissan. The chosen site was in Sunderland. That type of regional planning should be provided by the region. It is an example of what can be achieved by planning.

I appreciate that we must have change, but some of the changes affecting local authorities are extremely worrying. My local county council has in recent years, because of circumstances, established an employment committee. It has invested in a business centre, supported by the two district councils in the south-east of the county, and the result has been the setting up of the south-east Northumberland enterprise trust, which has been officially opened today.

That reflects not only the efforts being made in Northumberland but those taking place in Durham, Cumbria, Cleveland and Tyne and Wear, though the Tyne and Wear area is likly to disappear, and that, too, will have a serious effect on the north.

I recall being in discussion with a Minister at the Department of Employment some years ago. At that time we in the north were advised to pull ourselves up by our own bootstraps. In those days we did not even have bootstraps. We have them today and we are pulling ourselves up by them. But we need help and support from the Government. We need a democratic regional body and, more especially, we need a Minister responsible specifically for the north.

7.47 pm

Mr. Richard Hickmet (Glanford and Scunthorpe): It must be right that regions with high rates of unemployment and derelict industries cannot be left to languish. Some attempt must be made to iron out the imbalances in employment and industrial dereliction in those regions.

Some of my hon. Friends claim that regional assistance simply results in the movement of jobs from one constituency to another, but I do not accept that that is necessarily the case. Indeed, even if it were, it is no reason for not having a regional policy. Social consideratiions must play a part and it is particularly important that regions which have suffered a rapid and substantial decline in older and heavier industries should have effective regional assistance such as the Government are proposing in their new policy. That assistance can produce viable economic activity. I agree with my hon. Friend the Member for Darlington (Mr. Fallon) that such activity is, however, dependent on the national economy being in such a state that it can occur.

What is rapid decline and what regions come within that definition? It will help to answer that question if hon. Members consider the circumstances that apply in my constituency. The decline there has been rapid and substantial and to a large extent it undermined the economy of the region. The travel-to-work area of my constituency reflects that process in terms of unemployment and industrial decline. I suggest that the travel-to-work areas must be the building blocks on which our policy is constructed.

This is a happy evening for me, because I am able to thank the Government for converting my constituency into a region with the most beneficial grants available, remembering that we in south Humberside are not in Scotland or Wales. We do not have a tedious lobby taking up the time of the House once a month. We do not have bodies such as the Welsh and Scottish Development Agencies. We do not have the time allocated to those vociferous areas.

[Mr. Richard Hickmet]

At one time Scunthorpe employed more than 20,000 men making steel. It was a boom town. Massive investment took place in the 1970s. But it was a one-industry town. Since then, the steel industry has faced problems of over-capacity both at home and abroad and between 1981 and 1983 11,000 men were put out of work in my constituency. I invite any of my hon. Friends who doubt the need for regional pc cy to drive past the steelworks that was closed. The consequences of that closure for the economic viability of the region, for employment and for the industrial base were severe indeed.

That region needs assistance. When limited resources are available to Ministers, judgments have to be made as to where assistance should go. I am bound to say, no doubt partly because it involves my constituency, that if any part of the country deserves assistance it is the steel closure areas of Scunthorpe, Corby, and so on. I welcome the decision of my right hon. Friend the Secretary of State to give us development area status. I am also grateful for the assistance given to me and to the deputation that I brought to the Minister, when two authorities of different political persuasions buried the political hatchet and put their case together most effectively. If the regions with development area status are to market themselves successfully they must bury their political differences. They will be far more successful if the political parties co-operate.

In my constituency we now have three enterprises, with all the benefits and incentives that they offer to industrialists. In addition, we are eligible for European regional development fund grants to improve our infrastructure and for non-quota ERDF funds to assist industry, as well as cheap loans from the European coal and steel fund to assist investment. A substantial factory-building programme has been undertaken by English Industrial Estates. I believe that south Humberside is now in a position to broaden its industrial base and gradually to attract investment.

Regional assistance must be cost-effective and I welcome the Government's decision to encourage investment in job-creating enterprises such as the service sector. There must be no more Sullom Voes. My constituency needs jobs. I urge my hon. Friend the Minister to bear in mind the effect that some other Departments have on the efforts of his Department and of local agencies to achieve those jobs. We have constant problems with the Ministry of Agriculture, Fisheries and Food over our proposals to develop the Trentside wharves because grade 1 industrial land is involved. We have to persuade the Department of Transport of our eligibility for freight facilities grant. We have to persuade the Department of the Environment that we are eligible for derelict land grant. When all those grants are available for regions such as mine, there is a clear case for some kind of co-ordination.

I have no doubt that there is a bright future for my constituency. Goodness knows, it has waited long enough to see the light at the end of the tunnel. I therefore welcome the Government's decision in terms of general regional policy. Although south Humberside has no Minister in the Cabinet and is not entitled to a day a month of parliamentary time, the needs of the region have at long last been recognised. I am grateful for that and I believe that a bright future awaits us.

7.54 pm

Mr. Gordon Wilson (Dundee, East): The hon. Member for Wansbeck (Mr. Thompson) was clutching at straws when he referred to the advantages of having a territorial Minister. As a Scot, representing a country which has such a Minister, I should warn the hon. Gentleman off that prospect. When decisions have been taken by the Government, the Scottish Office has proved utterly impotent and ineffective. It certainly has not defended Scotland in any way at all. There are two reasons for that. First, the Secretary of State for Scotland is a minority of one in the Cabinet. He can be, and no doubt was, outvoted with regard to the moratorium announced today. Secondly, the Barnett formula limits growth in the Scottish Office to that of the comparable United Kingdom Department. In other words, it has very little power, so the hon. Gentleman should beware of that solution.

The hon. Member for Glanford and Scunthorpe (Mr. Hickmet) referred to the "tedious" Scottish and Welsh lobbies. As one who has to feature in them, I find them equally tedious. We should be far better off with our own Government and Parliament, able to take decisions sympathetic to the needs of our nation without having to explain them to people who know nothing and care less about our country. I assure hon. Members that neither forming part of a tedious lobby for the north of England nor having a territorial Minister to whom the tedious representations may be made would bring much advantage.

Strangely enough, in the current cold snap the south of England obtained the additional social security benefits of which the Scots have been deprived in the past. That just about sums up the political decision-making behind the changes in regional policy. The west midlands and one or two other areas, represented in glowing terms by distinguished new Members who came to the House after the last election and who are worried about keeping their seats, have received the benefits. To provide those benefits for the Conservative party, £100 million has been taken from Scotland and £60 million from Wales. Those moneys are to be transferred to the areas that the Government believe will be the cockpits of British policy in the future. In the decaying society of the United Kingdom where money is short, it is made available to those who will benefit politically—that is, the Conservative party.

The Secretary of State rightly referred to the role of multinational companies which sometimes come in where they can obtain the most cash, pocket the money and leave when times get hard. That is very much like the Government's policy. As the United Kingdom's economy goes down the plughole, money becomes short, public expenditure constraints are imposed, and money is taken from the periphery in the hope of sustaining the central core. Those are party political decisions, and they should be recognised as such.

I take exception, too, to the Secretary of State's analysis of regional policy as being social rather than economic, although I accept at once that regional policy is no substitute for relevant economic policy. When the regional aid schemes were developed and refined in the 1960s, part of the objective was to achieve economic regeneration when the national economy and the stop-go policy applied from the centre discouraged activity at the

periphery when things were cold. National policies at that time thus benefited the overheated regions but did not affect the north of England, Scotland or Wales.

Unemployment in the small countries of Europe is between 4 and 6 per cent. That is the standard upon which we should set our sights. We should not just complain that unemployment exceeds 13, 14, 15 or even 20 per cent. It is a sign of how bad things have become when we are prepared to accept unemployment rates which none of us would have accepted a few years ago.

During his speech the Secretary of State for Trade and Industry said that industrial policy costs money and that, in a few years' time, he will save £300 million. He appears to hold the implicit view that regional policy amounts to no more than a row of nuts—that is social rather than industrial or economic aid.

The Government spend about £17,000 billion on defence. Scotland, however, receives less than 5 per cent. of defence expenditure. Therefore, Scotland loses out. Most of that money is spent upon the betterment of the south and the midlands. Too little attention is paid to defence expenditure in Scotland. Mr. Peter Balfour, the chairman of the Scottish Council (Development and Industry), said:

"Recent events have given the impression that higher education and regional industrial policy do not comprehend the needs of adjusting our industrial and commercial activities to the changing requirements of the market place."

There is deep dissatisfaction in Scotland — in industry, the trade unions and local authorities—about the changes that the Government have made. Scotland has suffered 30 per cent. of the cash cuts. It is not as though Scotland is a net debtor. If Scotland were an independent country, it would receive at least £11,000 million or perhaps £12,000 million in oil revenues. That is an expression of the deep ingratitude that is shown by the present Government towards Scotland. Members of Plaid Cymru have asked me to say that they will develop their own arguments about Wales in the Welsh Grand Committee, but that they take great exception to the huge cuts that will be suffered by Wales. There is controversy about the applicability of European grants to Wales and to Scotland. I hope that the Minister will say something about that matter.

The forecasts are that Scotland could lose up to half a million people during the next 25 years. That is not just the result of a drop in the birth rate; it is the sign of the gross ill health of our economy. Emigration is the surest possible sign that an economy is not doing well. I would point out to the Minister with responsibility for industry in Scotland that his Department has betrayed Scotland and the Scottish economy. It is supposed to protect them, but it does not. One of the slogans during the radical rebellions of 1820 was "Scotland free or a desert." We are reaching the stage where, without a change in Government policy, Scotland will be an industrial and economic desert. That is why the Scottish National party campaigns vigorously for a Scotland that, like other small countries in Europe, will be free and prosperous.

8.4 pm

Mr. Roger Gale (Thanet, North): Like many Members, I suppose that I ought to be here tonight with a begging bowl because I represent part of a travel-to-work area which has the highest unemployment rate but which is not in receipt of assistance. However, I believe that we have sufficient natural assets in our harbours and coastline and in our proximity to the continent to be able to sort out our own problems and to create the new jobs that the area undoubtedly needs. To that end, the East Kent economic development group, an entirely private body that is backed by the county council, will achieve a great deal. However, we cannot do so with one hand tied behind our backs.

I am not asking for advantage. Equally, we cannot succeed if we are to be disadvantaged. Because of the assistance that my right hon. Friend the Secretary of State for Trade and Industry gave me in a skirmish in the midlands a couple of years ago, he knows that I have always believed that regional aid does not, in the long term, create jobs. It simply moves jobs from A to B. So long as south Wales, Liverpool and the north-east offer attractions which other areas do not offer, companies will move from my constituency, and others like it, to those areas.

The hon. Member for Yeovil (Mr. Ashdown) drew attention to the remarks that I made on 28 November. However, he wrongly believed that I was advocating specific projects for my constituency. I was not. I have always advocated sectoral aid. In that debate, my hon. Friend the Minister of State indicated that the salvation of my constituency was tourism and that the proper way to fund tourism was by means of section 4 grant assistance. I agree entirely with my hon. Friend. On that occasion he said that we in Thanet, North could do much to promote tourism. I believe that that is not the only future for Thanet, North. We shall certainly attract new industry too.

However, to take the point made by my hon. Friend, if one looks at grants under section 4, one sees that in the past jobs have been created under regional aid by means of the expenditure of about £30,000 to £35,000 per job. On 28 November, my hon. Friend indicated that the Government wished that figure to be reduced to about £10,000. Under section 4, a new job in the tourist industry is created for expenditure of £4,500. Roughly 50 times as much is spent on regional aid as is spent on section 4 aid. Under section 4, we make available just £8 million for the whole of the tourist industry in this country. We have heard that regional aid is projected to be £400 million and that it is currently more than £400 million. I ask my right hon. Friend to consider reallocating some of the money that is now spent on regional aid to the tourist sector and to reallocate it as sectoral aid under section 4. In terms of job creation, that money would certainly be more effective. I also ask my right hon. Friend to try to cut some of the red tape which surrounds the award of section 4 grant. That would be of enormous assistance.

If emphasis is to be placed upon service industries and upon grants under section 4, will the Government consider making a declaration that section 4 money is aid money? If the Government were to make such a declaration, we should be able to compete on at least equal terms for the European assistance that is so very readily available.

I endorse entirely the measures that have been taken by my right hon. and hon. Friends to reduce the waste in terms of the money that is spent on regional aid. I applaud the cut of £300 million that is to be made in regional aid if that money can be reallocated——

Mr. Austin Mitchell (Great Grimsby): The prosperous south-east is gloating again.

Mr. Gale: If the hon. Gentleman had been listening earlier, he would have heard that this particular part of the

[Mr. Gale]

prosperous south-east has the highest unemployment in the country, apart from areas similar to his which are receiving assistance. That cut of £300 million would be well made if the money could be reallocated for a better purpose. I shall endorse that policy, as I shall endorse any policy which redirects money from capital expenditure under the old regional aid programme to sectoral aid and job creation.

8.10 pm

Mr. Robin Corbett (Birmingham, Erdington): I am proud to speak for Birmingham and it will be noted in that city that not one Conservative Member from it is seeking to take part in the debate.

A brief circulated by the Regional Studies Association states:

"Regional disparities do not merely represent a 'social problem'; they involve the national economic interest".

If only the Secretary of State and his colleagues would understand that and stop treating the issue as something on the fringe of charity, how much better things would be.

There can be no proper economic recovery without the rebirth of the manufacturing capacity of Birmingham and the west midlands. The extension of aid to the service industry may help, but Britain has no proper economic future based purely or mainly on the service sector—taking in each other's washing, as the right hon. Member for Old Bexley and Sidcup (Mr. Heath) so rightly called it the other day. I assert the critical need for the renewal of our manufacturing base to safeguard our future.

Regional aid needs to be seen in a wider context—the spending by local authorities on housing, education, social services, and so on, because either that money creates jobs, or the absence of it destroys jobs. Under the Government less money means fewer jobs and poorer services in return for a doubling of the rates. It also has to be seen in the context of the state of the infrastructure of the region and the need for the repair, renewal and development of that.

In opening the debate the Secretary of State rightly said that we should ask what the policies do for jobs. I will tell him what they do for jobs in Birmingham. Second XI status for Birmingham, which is what we have, will do little or nothing to staunch the continuing loss of jobs in that great city. Unemployment in Birmingham is now one third higher than it was in 1979. In my constituency more than 7,000 people have been out of work for more than a year. Over the whole constituency, unemployment runs at 22 per cent. The Government deny jobs, hope and dignity to those people and to Birmingham in general.

Birmingham argued for development area status for its decaying inner city areas where up to 40 per cent. of people are jobless—areas such as Sparkbrook, Small Heath and Ladywood. The dangerous underlay in those inner city areas is that in many parts of them the ethnic communities make up around 50 per cent. of the population. For black and Asian youngsters in those parts of the city, leaving school almost certainly means immediately joining the dole queue.

During the argument over Birmingham and the west midlands the Government hid behind the new travel-to-work areas—boundaries which the Government revised. The new Birmingham travel-to-work area is a complete farce and brings the danger of sucking jobs out of the inner city areas to greenfield locations on its edges. However, I must say that the miserable assistance offered to Birmingham reduces that danger because it is so inadequate.

In Manchester the travel-to-work area for the purposes of regional aid has been split and there is nothing in the legislation to prevent the Government from treating Birmingham in the same way and to define parts of those inner city areas for full development aid on a local authority ward basis.

The Secretary of State also said that urban aid should be taken into account. Of course it should, but his hon. Friend the Member for Ealing, Acton (Sir G. Young) at the Department of the Environment made it clear a few days ago that under the Government urban aid next year in real terms will be cut by 4 per cent. Therefore, there is no joy in that.

Birmingham has been shabbily treated. Our job loss has been among the highest in the United Kingdom and it is near the top in the Common Market unemployment black list. The dole queue is still growing. That is why the city council, on an all-party basis, Members of Parliament and the Birmingham chamber of industry and commerce, got together to argue the case for better first-class treatment for the inner city area of Birmingham.

Will the Minister give serious consideration to five quick points, which will test how serious the Government are about wanting to assist Birmingham properly to get back into business?

Firstly, given the will, there is nothing to stop the Government deciding to give full development area status to certain inner city wards as defined on the basis of local authority boundaries.

Secondly, they can give some assistance to work of regional importance—the development of a convention centre in Birmingham and the rapid transport system, the upgrading of Birmingham airport, the improvement of the rail link to London and all that that means, and the improvement of roads to east coast ports.

Thirdly, they can establish a high-powered, dedicated, committed, knowledgeable task force for Birmingham to knock heads together, to slice through the red tape and to see that the money that is available is spent in the most effective way.

Fourthly, the Government can increase the urban aid programme fund, and fifthly, they can create a special local authority power related to grant-related expenditure assessment for economic development in the surrounding intermediate area.

Birmingham will judge the seriousness of the Government by their attitude to unemployment and by their response to those and other points which have been made on behalf of the city. I have no real faith in a positive response from the Government because they have demonstrated that they just do not care about people being forced into, and kept in, the dole queues. Already, the Minister's colleagues are trying to cut the throat of the West Midlands county council which fathered the west midlands enterprise board, which has a record of creating real jobs through its activities, not at £10,000 or £50,000 per job but at about £2,600 per job. The tragedy is that such an organisation cannot create enough jobs to make up for the large-scale losses in the manufacturing sector. None the less, the abolition of the West Midlands county council at least puts a question mark over the future activities of that board.

The Government have shown that they prefer to cut and destroy. I urge and plead with them to assist Birmingham to get back into business as a major manufacturing centre. That is what we are good at. We have been knocking metal about for a century and that is what we want and need to do if our battered city is ever to recover.

8.17 pm

Mr. Patrick Nicholls (Teignbridge): My hon. Friend the Under-Secretary of State is well aware from correspondence that I have had with him, from debates in the House and from a delegation which I led to see him before the decision was made how I feel about the withdrawal of aid from my consituency.

Whatever objections my delegation might ultimately have had about the final decision, it is right that I should say that it appreciated the way in which it was dealt with. It is one thing to be given a decision which one does not like, but it is something to be given a decision by someone who is clearly on top of the issues with a grasp of the facts. I was told today—I have no knowledge of this myself—that there are Ministers who, when delegations are led to them, do not seem to have a grasp of the facts. That was not the position in this case.

I do not want to detain the House unduly by setting out the reasons why I object to what was done in my constituency. I have made my views on that known and there is no point in taking up time trying to urge the Government completely to change their policies to fit in with my views and predilections. However, the central problem with which we are dealing here, and the essential problem that affects my constituency, is that the principle of regional aid, as we are forced to operate it at the moment, rewards the profligate and, in the end, punishes the industrious. As long as we have a system that works primarily on the basis of unemployment statistics, without looking at why there is unemployment in that area, in the end the industrious areas are bound to suffer. It ill behoves Labour Members to refer to areas as regional deserts when vast amounts of public money have been poured into them through the years. For hon. Members to refer to their areas as regional deserts when in some cases they are nothing better than regional plug holes approaches cheek.

Mr. Austin Mitchell: Scroungers, eh?

Mr. Nicholls: I do not know whether the hon. Gentleman is trying to intervene, but from the way in which he is making interjections it is clear that he has recently come from a place where he finds the company more convivial. If he wishes to make his own speech in due course, I am sure that we shall be delighted to hear him. In the meantime, if he will contain himself and not waste other Members' time, that will be of assistance to us.

Even if my hon. Friend the Minister does not agree with the way in which I have set out the dilemma in which my constituency finds itself, he will agree thus far—it was not Teignbridge's fault. If there was ever an example of an area using regional aid well, effectively and to the benefit of the community, Teignbridge was such an example. In saying that, I pay tribute to the work that the Teignbridge district council has done in putting a range of schemes together.

If my hon. Friend the Minister agrees with that and he agrees that Teignbridge cannot be held at fault for what happened to it, it must be clear that he and I will be united on another point. If anything can be done in the ambit of the policy on which the Government have decided to mitigate the effects that Teignbridge will suffer, that should appeal to my hon. Friend. Therefore, to that extent, and perhaps only to that extent, I can bring him glad tidings from the west country, because there is one obvious way in which Teignbridge and possibly other such constituencies can be assisted.

Transitional plans are available for European funds. The worst vice in the way in which the system works at the moment is that if an area loses national aid, it loses access to European funds as well. The transitional arrangements have two basic ingredients. First, the application has to be made within the next four months, and, secondly, the majority of the expenditure concerned has to be made by 29 November 1985. Politics is the art of the possible. I suggest that to insist that applications should be made by the end of March is going a little too far. However, I concede that in many cases it might be possible to accelerate that application and to bring it within the transitional arrangements.

However, in the practical world in which we live, it is asking too much to insist on a concession that says that the majority of the expenditure has to be made within the year. The consequences of that were extremely well set out in a report prepared by the chief executive of the Devon county council and the property services manager, Mr. Macklin, and Mr. Smy, of the economic committee of the Devon county council. The report pointed out that, if that transitional arrangement is allowed to stand, in the next five years the west country will lose about £18,600,000 of European funds.

I can give one specific example from many possible examples. It concerns the Roadford reservoir. There cannot be one hon. Member who is not aware of the problems in the west country with the drought this summer and in 1976. Because we shall need access to European funds, the chances are that we shall lose about £9 million of European money to which we would otherwise be entitled. Perhaps, with creative accountancy, it would be possible to cobble something together and to say that most of the expenditure could be done by November 29. I do not know, but I doubt it. The position was summed up in the report to which I referred by a paragraph that read:

> "Such an extension would enable many important schemes to be completed and thus provide a basis of infrastructure upon which to attract inward industrial and commercial investment, and therefore job opportunities in the future."

I do not believe that those transitional arrangements were put in as mere window dressing. They were put in for a very good reason—because it was admitted, even within the ambit of the Government's policies, that there had to be transitional arrangements. I do not think that it is too much to say that in this case it may be necessary for the Government to go back to the European authorities and renegotiate that part of the transitional arrangements that says that the majority of the cost has to be carried out by November 1985.

If those proposals are not mere window dressing, if their purpose is to take account of the fact that areas such as Teignbridge suffer through no fault of their own, it is not asking the Government too much to ask them to put the broad framework right, to go back and get another concession.

[Mr. Nicholls]

If there is any way in which I can sum up why that should be done, it comes down to this—it is common justice. I hope that when the Government find that they have to operate a policy that is fundamentally flawed they will at the very least ensure that the transitional arrangements mitigate its effects.

8.25 pm

Mr. Robert N. Wareing (Liverpool, West Derby): To call this a debate on regional policy is something of a misnomer. It is more a debate on a policy of sorts of one Government Department—the Department of Trade and Industry. The aim of the policy that we are being asked to endorse this evening is not to aid the regions but to help the Chancellor to make further cuts in public expenditure. We are being asked to endorse a reduction of 54 per cent. —from £643 million to £300 million—in expenditure on regional development grants and selective financial assistance between 1983-84 and 1987-88.

Since the mid-1970s, regional aid is one third down in real terms. Areas such as Merseyside require a comprehensive, interdepartmental strategy—the sort of strategy that was outlined for us immediately after the Toxteth riots when the present Secretary of State for Defence, then the Secretary of State for the Environment, came to Merseyside and established a task force. A number of hon. Members—the hon. Member for Leeds, North-West (Dr. Hampson), who intervened in the Secretary of State's speech this afternoon, and my hon. Friend the Member for Birmingham, Erdington (Mr. Corbett)—have asked for a task force. Merseyside's experience of the task force has led to disillusionment. When it was set up the present Secretary of State for Defence determined its role as being to deal with

"the overall deployment and effectiveness of public resources in Merseyside."

Under the present Secretary of State for the Environment, we have unco-ordinated, project-by-project overseeing. The task force on Merseyside is no more now than an outreach department of the Department of the Environment.

We do not want a task force such as that in an area with substantial unemployment. Merseyside now has about 50,000 or 60,000 fewer jobs than when the Secretary of State for Defence visited it in the aftermath of the Toxteth riots. We have 140,000 people unemployed and 195,000 supplementary benefit claimants. The deprived parts of Merseyside will now have to suffer a loss under the policies that we are discussing this evening.

It will lose its special development area status, and, in consequence, the regional development grant will be reduced from 22 per cent. to 15 per cent. Although new plant will qualify, replacement plant, which many firms require in order to replenish their resources, will not.

The regional policy that we are being asked to endorse has nothing in it to assist the port of Liverpool or the airport. Although no doubt there will be a few dissident voices from the Back Benches, the Conservative party is in the process of establishing a third London airport at Stansted and, to all intents and purposes, downgrading airports such as Manchester, which is already an established international airport. There is nothing in the Government's policy to help Manchester airport.

Conservative Members may protest that Manchester is to be made an intermediate area. What God taketh away, he giveth back. It was the Conservative party that withdrew assisted area status from Manchester on an earlier occasion.

Liverpool airport has pleaded, month in, month out, for an upgrading of its status. It does not even have a duty-free shop, despite the fact that most of the people using it are about to take international flights. They make their way to Heathrow, Gatwick, and other international airports.

There is nothing in the regional policy to help tourism. The much-maligned Merseyside county council has taken very much on board the need to develop tourism in an area that — as the Government themselves recognise — has some tourism potential. Last year, the international garden festival was established. Merseyside county council has brought the tall ships race to the Mersey, arranged the Mersey river festival and developed the Beatles connection as one of the attractions of Merseyside. The area is close to the Lake District and to north Wales. Tourism is an area in which jobs can be created. If the Government looked more kindly upon those who are trying sincerely to develop tourism on Merseyside, we would do much better.

The policy is a loss to the north-west as a whole. The smaller amounts of aid to be made available for regional policy in the north-west are to be diluted. At the moment, 47 per cent. of the population live in assisted areas. Under the new policy, over 60 per cent. will be included. That is not a plus; it is a minus. In the case of Merseyside, pressure was doubtless brought to bear on the Government by the Tory Wirral borough council. As a result, the Chester travel-to-work area is now included in the Merseyside development area. The effect will be to dilute the capital injected into the inner city and the more deprived areas of the county of Merseyside.

Merseyside did not gain much from regional policy in the immediate past. Even within the more confined boundaries of the special development area, when regional development grants were paid to firms moving into Merseyside, most of the capital went to the more prosperous and peripheral parts of the region.

What Liverpool and Merseyside need is for all Government spending to have a regional dimension. It is no use the Government telling us that we are to have such-and-such a sum in regional development grants when, since 1981, they have denuded Merseyside county council of £76·5 million. That money would have been spent on building up the infrastructure on Merseyside. It would have enabled us to develop the area so as to make it more attractive to business men. Do not say that you are helping Merseyside through all your policies. I do not mean you, Mr. Deputy Speaker. I am referring to the Government. They say that they offer regional development grants to firms moving into the area, but, on the other hand, they are making the area a cultural desert by attacking art and culture there.

The Philharmonic hall is a place that many people would want to visit and where the executives, whom we hope to attract, might wish to take their recreation. The Philharmonic hall is under threat because the Secretary of State for the Environment is doing the opposite of what the Secretary of State for Trade and Industry tells us that he is trying to do, because he is taking money out of Merseyside.

If we take all the districts in the county into account, we find that between 1981-82 and 1984-85 the districts and the county council have lost £136 million in terms of loss of block grant and penalties demanded by the Department of the Environment. That loss affects social, community and education services.

One cannot develop a comprehensive regional policy in a vacuum. This is a phoney attempt to lull the public into believing that the Government are making a real attempt to solve the problem of jobs. That claim is false.

The Government should not tell Merseyside to look to the private sector. Over the years we have witnessed the collapse of the private sector of manufacturing industry. When the present Secretary of State for Defence visited the city in 1981, he took a celebrated coach tour around Liverpool with some business men. They set up an organisation called Inner City Enterprises. I challenge the Government to tell me of £1 invested by Inner City Enterprises in any inner city. The Government pretend that they can solve the problem of the gap between the rich and the poor in this country by spending less than 1 per cent. of total public expenditure. That is a complete fallacy. Merseysiders know what the Government are about.

8.37 pm

Mr. Kenneth Hind (Lancashire, West): It is singularly appropriate that I should speak after the hon. Member for Liverpool, West Derby (Mr. Wareing), because his constituency and mine are in the Liverpool travel-to-work area. On behalf of the many honourable Conservatives on Wirral council, Sefton council, and West Lancashire council, I say that we in the Merseyside sub-region are sick and tired of hearing the Labour party whingeing on about the bad treatment that Merseyside has had from the Government. The Merseyside sub-region has benefited more from grants and Government investment than any other region in the country.

Furthermore, the hon. Gentleman conveniently forgot to mention the fact that freeport status was recently accorded to part of the dock area of Liverpool. That should certainly help to revitalise an undeveloped and unfortunately rundown part of the city.

I am not suggesting that everything in the garden is rosy, but opportunities have been put in Liverpool's way, perhaps more than in any other region. Labour Members should recognise that. It is regrettable that I must observe that if Labour Members who represent Merseyside were more co-operative with Conservatives who have the interests of Liverpool at heart, it would be a much better place. They merely knock and criticise and fight among themselves. They would do far more for Liverpool if they put over a good, progressive and dynamic image of the city, which will have a great future if we work for it.

Mr. Wareing: How many Tory Members are there in Liverpool? None.

Mr. Hind: There are at least three in the Merseyside region and there are others like me in the Merseyside travel-to-work area. Many of our constituents work in Liverpool. I am a member of the Liverpool chamber of trade and a member of the court of the university of Liverpool, so I have the interests of the city at heart.

I welcome many of the Government's proposals and was a member of the Committee which considered the Co-operative Development Agency and Industrial Development Bill. My hon. Friend the Minister recently visited my constituency. I must tell him that the people of Ormskirk and surrounding parishes, Up Holland and Skelmersdale are grateful for what the Government have done. People in Ormskirk and surrounding parishes are especially glad to have been given regional development status. It is a marvellous opportunity for an area that has had no assistance for many years to enable it to take advantage of manufacturing and service industry grants and those which are offered by the European regional development fund.

The most constructive aspect of these proposals has been ignored today. The area suffers 15 per cent. unemployment. The payment of grant has been divided into two categories. The first is based on selective assistance—the backing of winners. We want companies that will succeed to receive grants. The second takes employment into consideration. Unemployment is a burning issue in this Parliament and in the country. Grant is to be paid according to the number of jobs that will be created. Many people in the north-west will welcome the £10,000 per job limit and the £3,000 special job grant for labour-intensive industries. We must wave a welcome goodbye to the bad old system of automatic grants which created jobs at £35,000 each at 1982 prices. There will be an end to Sullom Voe projects and the like.

Mr. Henderson: We have seen not the end of Sullom Voe projects but the end of taxpayers paying money for them. The projects would have been developed anyway.

Mr. Hind: I am grateful to my hon. Friend. Grant is to be available only for the creation of new projects. People in the provinces, and especially in the north-west, are interested in the creation of new jobs. There is an enormous difference between such grants and spending £2 billion on training schemes. Jobs that result from in-service training would probably have come about anyway. We want jobs that would not have been created without grants. The Department of Trade and Industry should examine the recipients of grants and ask whether the company would have expanded without grant. It is no good giving grant to companies that will expand anyway merely because they happen to be in the right place.

Mr. Robert Hughes (Aberdeen, North): How are jobs to be created without any money?

Mr. Hind: That is one issue on which I agree with the hon. Gentleman. There is deep anxiety about the level of unemployment in west Lancashire, especially in Skelmersdale. I could take Ministers to estates in my constituency where unemployment is as high as 40 per cent. That is devastating. It creates much suffering and hardship. My hon. Friend the Minister should re-examine the money that is being made available for regional development. People want employment.

The House's mind has been concentrated on whether the £1·5 billion that my right hon. Friend the Chancellor has mentioned should be spent on infrastructure or in tax relief. Most of those who have pressed for spending on infrastructure believe that that is the best way to create jobs. Like many of my right hon. and hon. Friends, I believe that people north of Watford want jobs. If it comes to making a choice between having a few extra pounds in our pockets and seeing our neighbours and friends in work, we would opt for jobs. The Government might think that

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giving £1·5 billion back in tax relief is a good way in which to create jobs, but if there is more it should be spent on job creation. An ideal vehicle for that is regional development grant.

Mr. Ashdown: The burden of the hon. Gentleman's speech appears to be that he disagrees fundamentally with the Government cutting regional aid by nearly one half. Is he aware that that is the central issue here? Can he not find the courage to represent his constituents by voting against the Government? If he really believes what he says, he will do that.

Mr. Hind: At this stage I believe that the programme being advanced by the Government is good. The idea is excellent. It removes the bad old system of automatic grants. I am glad to see the back of them. I can support the new system, but I am telling my hon. Friend the Minister——

Mr. Ashdown: That the hon. Gentleman will vote for the Government?

Mr. Hind: —that he should re-examine the amount of money that is being made available. This year's Budget could provide opportunities for job creation. Each Budget should be examined with that in mind. There is to be no cut in regional development grant this year. It stands at £640 million. We still have an opportunity to see whether more money can be made available. But those who criticise this system should bear in mind that it is a much better system than the one it supersedes. It is more likely to create jobs, and is much more understandable to the general public. They will understand that for every £10,000 spent, a job should be created.

Hon. Members may criticise because of the amount of money involved, but they should go into the Lobby to support this good new system of regional grants. They should make it their business if they so wish to write to the Ministers responsible and to the Chancellor of the Exchequer saying that they want more money for more jobs. That is where the pressure should be applied.

8.51 pm

Mr. Austin Mitchell (Great Grimsby): I shall not take up the remarks of the hon. Member for Lancashire, West (Mr. Hind), who has his own particular brand of Law Society economics, partly because he has not left me much time in which to do so. However, I must say that his desire to grovel before the Government seems to have overcome his economic sense.

The Government's measures demonstrate their brazen callousness. It takes real insensitivity, inhumanity and brutality towards those lesser breeds without the south for a Government who have decimated industry, brought down manufacturing employment by 22 per cent. in five years, put 1.7 million people in manufacturing industry out of work, increased unemployment to a level never before known in this country and who have generated long-term unemployment on a scale three times that which existed before the war, to cut £300 million off the budget for regional aid. That seems to be the entire aim of these measures. On 28 November, the Minister of State said their policy represents

"a considerable lightening of the public expenditure burden".
—[*Official Report*, 28 November 1984; Vol. 68, c. 937.]

That is the aim. Just when we need money spent on regional aid, the Government have cut the amount so that they can go ahead with tax cuts. The only consolation offered to the declining areas of this country seems to be that the more they decline, the greater the prospect of a visit from the Under-Secretary of State who is responsible for small businesses. To some areas that is more of a threat than a promise, yet that is the only consolation offered them today.

If this system of regional development and aid was necessary when unemployment stood at between 500,000 and 1 million, it is trebly necessary when unemployment now stands at 3 million. Yet the amount of money spent is being almost halved. Given the industrial disaster that the Government have inflicted on this country, the only logical step was to extend regional policy. If that policy is to be extended to other areas, such as the west midlands, as it should be—due to the damage done to the west midlands—and if the cake is to be cut into more slices, we must have a larger cake. It makes economic sense to spend more on regional policy to help those areas that the Government have brought to their knees through their economic policies. For them to cut back now demonstrates the callous heartlessness that is the economics of irresponsibility.

Mr. Michael McGuire (Makerfield): Will my hon. Friend give way?

Mr. Mitchell: I would rather not give way, as I should like to keep to the 10-minute limit, even if it does not apply.

In short, the Government are trying to have it both ways. They claim that they are bringing benefits to new areas. They also claim that areas such as Grimsby, which have their development area status cut, will not suffer any loss. The Government cannot have it both ways. Either there is a loss to areas such as Grimsby, or there is not much of a benefit to those areas such as the west midlands, which are supposed to benefit. The truth is that harm is being done to areas such as mine. As far as Grimsby is concerned, this is a kick in the private enterprise. It has been delivered by a Minister of State who comes from the town. It is a sad reflection that he should be grinning behind the Dispatch Box when he has done that to Grimsby.

Grimsby derived real benefits from development area status. That status was wisely and rightly, justly and fairly given to us by the Labour Government. It brought large sums to firms in regional developments grants for capital projects. It is merely quibbling to say that it has not stopped further decline. In Grimsby, male unemployment has hovered near the one man in five figure over the past few years due to the decline of basic industries such as fishing. In fishing, we are hamstrung because we fall between all possible stools. We do not qualify for help from the Common Market because we are north Britain, or for help from Associated British Ports because it has its own commercial objectives to pursue. The Ministry of Agriculture, Fisheries and Food has no money to offer us. We have no inner urban aid to use at discretion. Thus, that basic industry is declining. We have also seen a decline in the primary processing of fish, and large scale redundancies at Laportes at the graving dock and Courtaulds. The town's exporting industries have suffered because of the rise in the value of the pound, and food

processing has suffered because of a decline in consumer demand. We have suffered all round, due entirely to the Government's policies.

Regional policy for us has prevented the decline from becoming worse and has prevented yet more unemployment in Grimsby. That might be a negative achievement, but it is still vital for the constituency that I have the honour and privilege to represent. The aid is vital, for all that its impact has been negative. Now we have lost that attraction.

As a result, we shall become vulnerable to the distortions of regional aid, which regional policy is meant to ease. I shall illustrate two of the distortions as they effect Grimsby. We have seen the closure of one of the Findus factories in the area, and the loss of about 1,000 jobs. They were effectively transferred to Longbenton in Newcastle, as the firm could get better regional incentives in a special development area than it could obtain for its existing operation in Grimsby. Thus regional policy in that area was effectively being used to destroy jobs in Grimsby.

When we saw the Minister to complain about that he said, effectively, "Hard fishcakes. That is the way the world is." Now that Grimsby has been demoted to intermediate area status there will still be that gap between us and a development area, and the prospect of losing such jobs is still there. Therefore, we are hurt both ways. Our power of attraction is reduced, and we still have the potential for losing.

The Secretary of State, then the Minister of State, also effectively betrayed us over Nissan because he indicated that he would redress the gap between the aid offered to a development area and that forthcoming for a special development area. More than £20 million was involved. He certainly gave the impression to all at the meeting that the gap would be bridged. I think that all there will confirm that. He held out that implicit promise. As soon as he got Nissan's agreement to come, it did not really matter which part of the country it went to, and he found that he could save money by not offering that aid to Grimsby.

Mr. Norman Lamont: The hon. Gentleman may be confusing me but I think that he is imagining an entirely fictitious meeting and conversation.

Mr. Mitchell: I am sorry; like this Minister of State I was not at the meeting, but all those who were there agree that that promise was held out. The correspondence later bore that out. On the evidence of those who were there, I am right. The promise was held out, and once Nissan had been secured, and the Minister no longer needed to offer an inducement, he dropped it. Again, we suffered through the distortions of regional policy and are still open to suffer again in exactly the same way. The answer is not to eliminate these disparities but to give the areas more flexibility to attract the industries that they wish to attract.

Another problem is the disruption that the change in policy imposes on a place, such as, Grimsby. We need continuity. Just as we are getting going as a development area and getting the system into gear, it is suddenly brought to an end. Industry needs continuity and prospects to make investment decisions. Chopping and changing, as the Government do, inhibits that.

A further problem is that the measures are unjustified. Our problems are more severe than when the Labour Government gave us development area status seven years ago. We need that status to fight against the continuing decline. The Government are diminishing our ability to do so. During that period our unemployment rate has more than doubled. I am angry at the squalid measure and at the vicious demotion of an area that was deriving benefits, and needing more benefits rather than this cut.

It is as though the Minister were saying to a patient on a life-support machine—be it a heart-lung or a dialysis machine—"You have had your seven years and you are no better. We admit that it is our fault that you are worse, but get off the support system." The Government are telling us to make way for Birmingham, Scunthorpe and other areas that they have harmed more than Grimsby. That is not a regional strategy, but industrial homicide. The Minister is saying to us, "Get off the life-support system, the Prime Minister wants you to stand on your own two knees." We shall fight on, but it will be against greater odds. The Government have compounded every economic problem that Grimsby faces.

The measures are appalling. The cuts are appalling, especially their impact on my constituency. What appalls me most is the small-minded petty viciousness of the measures.

9 pm

Mr. Geoffrey Robinson (Coventry, North-West): Before I come to the main part of my speech, may I say how pleased Opposition Members were to see the Secretary of State for Trade and Industry taking part for the first time in a full, three-line Whip debate, and returning to his former strength. I fervently hope for the full recovery of Mrs. Tebbit.

Immediately after the vote, we shall move to the orders, the first of which deals with the new map and qualifying activities. Hon. Members who did not have an opportunity to speak during this debate and who had important constituency-based speeches to make, could make them then. The map, the qualifying activities and the prescribed limits are important issues.

The wording of the motion attains the highest level of the Government's newspeak. John Hurt as Winston Smith in the film of the year could not have done better. We are asked to note

> "with approval that the increased cost-effectiveness of regional assistance will enable the burden upon taxpayers to be substantially reduced."

In plain English that means that the purpose of the package is massively to reduce aid to the poorest region in order to make tax cuts available in the next budget for individuals who are already among the best off.

With the economy slithering out of control, the Government are desperately thrashing around to make any cut, no matter the social cost, and to sell any asset, no matter the commercial loss, to reduce Government expenditure. They have no other economic policy. That was the case with the panic sale of British Aerospace shares two days ago. We have heard today of the panic and the disgraceful moratorium imposed on the payment of development grant and on new applications not posted within the next two hours and 57 minutes. The countdown has already started.

In the 1985 version of newspeak, for "economic policy" read, "cut Government expenditure". The Government have no other policy. Public sector housing has already been hacked to pieces, and it is now the turn of regional policy. There is no question of this being a new more cost-effective regional policy. Whatever the Minister says, he

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knows that that is not the purpose of the package. He admitted to the hon. Member for Wolverhampton, South-West (Mr. Budgen), who has been voted trouble-maker of the year — he will be rather pleased that I have mentioned him—that the main purpose of the package was to reduce Government expenditure. The Minister knows as well as I do that there were no new positive ideas in the White Paper. Nor was there one creative contribution from the Government in the debates on the Co-operative Development Agency and Industrial Development Act 1984. All that we have heard tonight —nothing will change when the Minister of State gets to his feet — is a repeat performance, redolent of the staleness of a Government who were self-avowedly devoid of idealism and who are now self-evidently defunct of ideas. Regional policy costs money, so cut it.

In the trenchant words of the right hon. Member for Old Bexley and Sidcup (Mr. Heath), the only answer that the Government have to any problem is to cut, cut, cut. At least they have been consistent in that. They have displayed not so much the smallness of mind that some associate with consistency as a narrowness of vision and an intensity of single-issue focus that have burned out the hearts of regions. Even by this Government's standards, the cuts in regional aid have been unmitigatedly savage. They are matched in their severity by what the Government, out of wilful prejudice, have done to the public sector housing programme. It is an insult to the regions that will never be forgiven by the people who live there that those massive cuts have been made when unemployment in every nation and region is at a record high — yet another unique negative achievement by the Government.

The statistics for the depressed regions speak for themselves. I give the figures in a slightly different form from that in which they were given by some of my hon. Friends, who have made such valuable contributions to the debate, but they are still staggering. In each case, I am comparing the figures for 1979 and 1984 — the period for which the Government bear complete responsibility. In Scotland, unemployment has increased by 166,000, or 104 per cent. It has more than doubled. In Wales, unemployment has increased by 93,000, or 120 per cent. In the north of England, it has increased by 118,000 or 111 per cent. In the north-west, it has increased by 247,000, or 136 per cent. In Yorkshire and Humberside, it has increased by 177,000 or 160 per cent.

In the west midlands, that once-proud powerhouse of our industrial base, we find the most staggering figures. Unemployment has increased by more than 220,000 or almost 200 per cent. What sort of record is that? On what basis could any Government defend that record and excuse or explain those figures?

However, faced with those figures and the stark human tragedy that lies behind them, all that the Government did, perversely, was to make a second, even deeper, cut in regional development grant support. They cut £100 million a year from Scotland, £60 million a year from Wales and £150 million a year from the regions of England. All that they can do is to cut. Their logic was brilliantly exposed by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) at the beginning of the debate. The Minister of State said that Government expenditure destroys jobs. Therefore, if we reduce Government expenditure, we can increase jobs. However, he will not follow the logic of his argument and eliminate Government expenditure in the regions. He is not rushing to his feet to give an explanation of the logic of this part of the argument.

I was interested to hear the intervention of the Secretary of State for Trade and Industry, who came to the rescue of his beleaguered Minister. He said that we were forgetting the effect on aggregate employment. What he was really saying was that while they would tail it off as quickly as possible, the Government would continue the aid to the regions but that it should be understood that this would mean job losses in other areas which would not be assisted. If that is what the Goverment think, will the Minister of State have the frankness and honesty to say so? Will he say clearly that they are continuing regional aid for the moment, having cut it by over 60 per cent. since they came to office? They are not doing badly; they are well on their way to ending it.

I see in his place the hon. Member for Lancashire, West (Mr. Hind); he is disappointed that the Government have not stopped the provision of aid already. Let me reassure him that they have cut it by over 60 per cent. Of course, they cannot tail it off abruptly because they have certain commitments that they are legally bound to honour. Although they have gone back on commitments that the Minister of State gave repeatedly during the Committee stage on the transitional arrangements, they cannot break their commitment to make payments that are due. The cuts will come through and they will be felt in the regions. Cuts of £300 million will have been made in about two years' time.

Behind the heartrending unemployment figures that I have just given the House lies the devastation of the industrial base of the regions — nowhere more than in the west midlands where, as I know from personal experience because I represent a Coventry constituency, no less than one third of manufacturing capacity has been lost. The Government reply that we will probably hear tonight is that productivity in manufacturing has improved by 15 per cent. since 1979. Of course, if one third of the most threatened manufacturing capacity is eliminated, productivity is bound to go up. It is not much different from eliminating the bottom third of the first division of the football league and comparing its goal difference with that of the top two thirds of the league. That would show a dramatic improvement in the apparent performance of British footballers. By that method of accounting we should be favourites to win the world cup.

Nobody believes the Government's talk of an industrial recovery. The Minister of State shakes his head in surprise as if I were meant to believe it. How can anyone, least of all the regions, believe it when the deficit last year in manufactured goods on a balance of payments basis was £5 billion? How can we believe that we are in a position to compete in manufacturing when even now investment in manufacturing is down 25 per cent. on the level of 1979? How can the regions believe it when, within this overall pattern of decline, the disparities are greater and are intensifying all the time?

It is understandable that the Government have no positive or creative ideas on regional policy since they are completely schizophrenic about it, as we saw earlier in the debate. They do not believe in it, but they do not want to say so. They brought regional aid in as a social policy. Having cut it by 60 per cent. since 1979 they fatuously try

to make it appear to be not too bad. They say that the regions will still get some help. No doubt we will hear again from the Minister to the effect that they will extend the aid to service industries. They are hinting that an increase in discretionary aid under section 8 of the Industry Act 1972 will make up for the massive cut of £300 million in regional development grant. By extending the map as widely as they can—we support the Government—they hope to maximise our take-up of the quota of the European regional development fund. That is about all that the Government have to say.

It is clear that, if the ERDF did not exist, we would not have a map or a policy. We would have nothing at all. As we all know, it is the existence of a regional policy that governs the general eligibility of a country to participate in the European regional development fund. We all know that the ERDF can never be a substitute for national policy. The Commission says that the ERDF shall not be a substitute for policy. The ERDF must reinforce strong national policy at a time when the regional disparities within the Community are worsening and when, in the Commission's words, these disparities are the greatest threat to that unity and coherence of the Community to which the Government pay such lip service.

In principle, we welcome each of the Government's policies. The problem is that their practice does not match up to their principle, and the limits unnecessarily imposed by the Government on those policies do not match up to the regional problems. The Minister has made a great deal of the point that the reduction in regional development grant may be made good—he has not said more than that—by discretionary assistance under section 8. That is fine if a company is a rich, strong multinational such as Datsun and does not really need the money. Datsun had the unique privilege of being sneaked in by the back door for regional development grant as well as discretionary aid. As the Labour party predicted at that time, Datsun is now recruiting some of Austin Rover's best production engineers.

For British companies, beleaguered in the most depressive regions previously benefiting from RDG of 22 per cent. — RDG that was automatically available and built into their cost structures—the reduction in RDG to 15 per cent. and the non-eligibility of modernisation and replacement schemes will come as a body blow as they fight to hold their market share and to increase their competitiveness. We know that competitiveness can be achieved mainly through the capital investment that is desperately needed. For those threatened British companies located in the assisted areas, looking for discretionary assistance from the Government will, I fear, be tantamount to pleading for mercy from Dr. Joseph Guillotin.

All the positive creative thinking in the debate has come from the Opposition. I should like to congratulate my right hon. and hon. Friends on their excellent contributions. In many ways, those contributions had different emphases, and I believe that my hon. Friend the Member for Rotherham (Mr. Crowther) would agree with me. My right hon. and hon. Friends all recognised the reality of the regional problem and the Government's responsibility to do something about it. The Opposition are attempting to do something about the problem. Conservative Members, especially those few hon. Members from Northern constituencies who have expressed their doubts about the policy, have shown a willingness to abstain. I note that the hon. Member for Falmouth and Camborne (Mr. Mudd)——

Mr. John Smith: He is not from the north.

Mr. Robinson: He is not; he represents Cornwall. That area, too, has been devastated by the Government's policies. The hon. Member for Falmouth and Camborne is going to abstain. I urge him to vote with us in the Lobby.

Mr. Mudd: I would be willing to do so, were it not for one salient fact. There is massive unemployment in Falmouth. About 1,300 Falmouth shipyard workers were placed on the dole as a consequence of British Shipbuilders' closure plans for Falmouth. Those plans were approved under the Labour Administration.

Mr. Robinson: I am quite sure that the job losses in that area, which are staggering already, will be greatly increased when the Bill to privatise the warship yards goes through and those competing in the commercial market are left to their own devices. We have not seen anything yet, in the words of one of my hon. Friends.

What we have had tonight, as we have had throughout this debate, is creative positive thinking from this side of the House and a simple policy from the Government which has been to say that, because Government expenditure is involved, because Government expenditure is wrong, regional policy must therefore be wrong and let us get rid of it as soon as we can and as soon as we dare.

Mr. Bill Walker: I would like the hon. Gentleman to be aware that other Conservative Members will be abstaining, myself included. The reason why I shall abstain is not that I think that principle behind the policy is wrong; it is just that I have never in my life supported anything that cannot happen. There is a travel-to-work area in my constituency and tonight it would be impossible to travel in that travel-to-work area. That happens not on odd occasions, but every year the roads are blocked and public transport is non-existent, yet it is a travel-to-work area.

Mr. Robinson: I will explain to the hon. Member for Tayside, North the reason for that: it is that so badly has aid to local government, regional aid to local government and transport to local government been cut that they do not have any money to salt the roads. Conservative Members may be amused to know that it is rapidly getting to that point in Surrey where I happen to live. When hon. Members talk of the south-east, they should realise that the south-east under this Government has had the highest rate of unemployment increase second only to the west Midlands. It is a unique achievement of the Government that they have managed to turn virtually the whole of the United Kingdom into a depressed area. There is a strong case to be made out in the context of the European Community for classifying the whole of the United Kingdom with the mezzogiorno of southern Italy.

Mr. Hind: It is significant that the hon. Gentleman who is winding up lives in an area of relative affluence. While we who represent the Midlands and the north are fighting for a better situation, he is living in the soft south-east. Perhaps there is a lesson in that for his constituents.

Mr. Robinson: We could have done without that issue. It lowers the standard and the seriousness of the debate. The debate concerns not where I happen to live but the

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people of the regions of this country who are suffering from this Government's policies and will suffer even more severely when the cuts come into force. If the hon. Member for Lancashire, West had the courage of his convictions he would vote against the motion on these policies or abstain for the diametrically opposed reason that he does not think that they go far enough. There may be another chance—though I doubt it—to do completely what he wants and that is to cut this altogether. That is what the hon. Member said, as he will see when he checks *Hansard*. I hope that his constituents in Lancashire, West understand exactly where he stands.

The truth is that not only do the Government not believe in regional development assistance as a tool of economic policy but they do not really believe in social policy either.

With his customary air of nonchalant disinterest, the Minister of State spoke only last December to the industrial editor of *The Observer*, Mr. Adrian Hamilton. The article stated:

> "'That regional assistance is being conducted at all,' says Lamont with a smile, 'shows that we are evolutionary, not dogmatic. If it works we'll keep it. It if doesn't, then we will have to look at it again."

That is not so much a policy, more a suspended sentence of death. The Opposition accept none of that defeatism. Unemployment in the regions is a social evil and an economic problem.

We must put the same questions to the Government as did the right hon. Member for Old Bexley and Sidcup in his Sunderland speech. How much longer can we afford to gamble with our social stability? How much longer are parts of Merseyside to be expected to put up with over 6 per cent. of their school leavers going into full employment? How much longer must there be 36 people chasing every job vacancy in the west midlands? How much longer must the north suffer an unemployment rate now approaching 20 per cent.?

As the hon. Member for Falmouth and Camborne argued, why cannot Devon and Cornwall have policies geared to their problems? How much longer must Scotland and Wales put up with a Government who have turned their backs on their special needs, and who have slashed Government aid to Scotland under the regional policy by £100 million and to Wales by £60 million per annum?

Do not the Government realise that that policy of nihilism is leading us into a dangerous future? Do they not realise that they are storing up for us perhaps unmanageable social problems and that they are storing up for future generations problems the extent of which we cannot yet see and solutions to which the Government have not provided?

Problems in the regions and in the inner city areas caused by these policies are bound to breed despair and to generate violence. The Opposition are committed to the expansion of public expenditure, and to a constructively selective public works programme that will get the regions going again. We believe in the people and skills of the regions. Each has its own distinctive contribution to make to the industrial recovery that the country needs desperately. We intend that regionally based organisations and local government will play their full role in the re-creation of jobs, the rebuilding of our industries and the introduction of new technologies. The regions and nations of the United Kingdom are keen to play their full role in achieving the essential regional objectives that must form part of our overall national economic recovery.

We have heard nothing from the Government tonight that can hold out any hope to the regions. The Government have imposed upon this country the tightest regional policy regime that exists within the Economic Community. They have deliberately reduced RDG to 15 per cent. and the job grant to way below what it could be under EC rules and restricted policy in every conceivable direction. We shall see to it that the regions are given the opportunity to perform their role which is vital and fundamental to the rebuilding of the shambles of a nation that the Government have created.

9.30 pm

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): I thank the hon. Member for Coventry, North-West (Mr. Robinson) for speaking so slowly in his peroration when he was in danger of running out of material about four minutes before the end of his speech.

This has really been two debates. On the one hand, we have had a debate between the Front Benches largely about the principles of regional policy and the announcements that I made. On the other, we have had a debate more between the Back Benches about the assisted areas map and how individual constituencies have been affected.

Inevitably, a large part of the debate has been dominated by concern with hon. Members' constituencies, and the reaction to the Government's announcement last November has been rather influenced by the effect it has had on their constituencies. My hon. Friends the Members for Bury, South (Mr. Sumberg), for Glanford and Scunthorpe (Mr. Hickmet) and for Gloucestershire, West (Mr. Marland) have given the Government's policy a warm welcome, and in particular I thank my hon. Friend the Member for Gloucestershire, West for what one might call his baroque welcome with a triumphant coda at the end. Unfortunately, other of my hon. Friends — for example, my hon. Friends the Members for Tayside, North (Mr. Walker) and for Blackpool, North (Mr. Miscampbell)—might be described as having received it with somewhat modified rapture.

I well understand the disappointment of some areas that have been downgraded or excluded. The Government had difficult choices to make, as my right hon. Friend said. Although one would not believe it from some of the speeches, not every constituency, not every travel-to-work area, can be an assisted area. Inevitably the Government have had some hard and difficult choices to make. We have made them, as far as possible, by objective criteria.

Inevitably, at the margin of the 35 per cent. map—which was the maximum coverage that we could go up to and the maximum that would be acceptable within a European framework—an element of judgment came in. But whatever decisions were made, there was bound to be disappointment among those of my hon. Friends whose areas were excluded. As I say, we could not expect to please everyone.

Mr. Bill Walker: I am not objecting to what the Government are trying to do. Indeed, I support the principle of it. However, in no way can one describe an area as a travel-to-work area when it is impossible to do so. COSLA—the Scottish local authorities—accepts that

Blairgowrie is unique in this respect because there is no public transport and the roads are blocked every winter, being highland mountain roads.

Mr. Lamont: I appreciate that my hon. Friend's objection relates to the travel-to-work area, and I shall be coming to that because he was not the only hon. Member to raise that issue.

Some hon. Members—fortunately, not too many—alleged that there had even been some political bias in drawing up the map. *[Interruption.]* I am glad to note that the hon. Member for Kingston upon Hull, East (Mr. Prescott) thinks that that is an unworthy accusation, and it is. Of the 32 travel-to-work areas that were formerly assisted and that have now been excluded, those exclusions affected 41 constituencies.

Such was the Machiavellian influence and intervention of Conservative Central Office that 32 of the 41 travel-to-work areas turned out to be Conservative seats that were downgraded, though I do not expect that revelation to be greeted with cheers by my hon. Friends.

While 3 per cent. of the country was excluded by the decisions that were made, 10 per cent. of the working population were brought into the enlarged assisted area map. We were able to make this possible through the extension of the intermediate area status. That means that more areas will qualify for access to the ERDF. Many of my hon. Friends have been disappointed because their local authorities will not have access to the ERDF, but at least, with the decisions we have made, more areas than before will have access to it.

Mrs. Kellett-Bowman: Does my hon. Friend accept that the most serious deprivation is not the lack of access to the ERDF but the fact that those areas can no longer go to the European Investment Bank, which has been of great assistance in the past and for which there is no quota?

Mr. Lamont: That is true, but my observation applies both ways. Some areas will have more access while others have less.

An adjustment to the map was essential because the map was out of date. Some areas have improved relative to others while others have deteriorated in comparison with other parts of the country. Opposition Members have quoted unemployment statistics for their constituencies in absolute terms. But in regional policy we must base our decisions as to which areas should be assisted on the relative position of different parts of the country. The result is a map more closely aligned to the worst black spots. The reduction from three tiers to two allows us to concentrate regional development grants on the worst-hit areas.

Unemployment has been the main criterion, but not the only one. We have also borne long-term unemployment very much in mind. Other criteria such as geographical location and industrial structure were also considered. The average rate of unemployment in the year ended July 1984 for the development and intermediate areas that we have selected was 19·1 per cent. and 15·5 per cent. respectively. Those are average rates and some areas will have been excluded even though they might have qualified on the basis of unemployment statistics because they failed to qualify on other criteria.

Mr. Gordon Brown (Dunfermline, East): If unemployment rates were the main criteria in updating the map, why were unemployment figures for travel-to-work areas calculated on data four years old? Is the Minister aware that unemployment in my constituency is not 16 per cent., as he claims, but more than 20 per cent.? Will he undertake to review the regional map when the new employment census appears and update it properly?

Mr. Lamont: The hon. Gentleman is not quite correct. Unemployment was calculated on the basis of long-term unemployment data, but also on data for the year ended July 1984.

My hon. Friend the Member for Tayside, North my hon. and learned Friend the Member for Blackpool, North and others criticised the decision to base the map on the building block of the travel-to-work area or the way in which the travel-to-work area chosen affected their constituencies. Travel-to-work areas are the smallest approximation that we can make to self-contained labour markets nationwide. It does not mean that people living at one end travel to work at the other end. It means that 70 per cent. of the people who work in the area also live there. That has always been a basic building block of the system and it provides reasonable confidence that the jobs created there as a result of regional policy will be taken up by local residents.

The hon. Member for Gower (Mr. Wardell) referred to the conclusions of the Select Committee. His conclusion was that the whole of Wales ought to be a development area. That is an unrealistic and unjustified suggestion on the basis of the unemployment rates in certain areas of Wales. In the period to August 1984, areas like Aberystwyth had 10 per cent., Brecon 9·1 per cent. and Carmarthen 7·1 per cent. unemployment. Despite that unemployment, 89 per cent. of the population of Wales will still be in assisted areas. I did not have the pleasure of hearing the speech of the hon. Member for Dundee, East (Mr. Wilson), but I can guess what he said. I point out to him that Scotland's share in the intermediate areas is unchanged and that Scotland's proportion of development areas has increased.

Mr. Bill Walker *rose*——

Mr. Lamont: I have many questions to answer and I have already given way three times.

The hon. Member for Dundee, East asked whether the Highlands and Islands Development Board area would continue to qualify for ERDF. The answer is yes.

Mr. Bill Walker: Is my hon. Friend able to give me his assurance that if Scottish local authorities show him that his own criteria do not apply to Blairgowrie he will accept that linking Blairgowrie and the travel-to-work area with Pitlochry and Aberfeldy is nonsense? I am not asking my hon. Friend for more money. I am only asking that there should be an objective and sane basis for what is done and that my constituents should be able to believe in the sanity of the policy.

Mr. Lamont: If what I have said does not achieve what is required, I shall discuss the matter with the Department of Employment which draws up the travel-to-work areas.

Many questions have been asked about the moratorium which was announced by my right hon. Friend. He emphasised that the purpose of the moratorium was not a cut but to get expenditure on regional development grants back to the level that was predicted in 1983. We shall

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continue to spend the same amount on regional development grants as we predicted in 1983 we should spend upon those grants.

The right hon. Member for Glasgow, Govan (Mr. Millan) asked, as a result of the overshoot, how much money we were hoping to prevent being part of that overshoot. The answer is £150 million. It is based upon the assumption that the moratorium lasts for 12 months. *[Interruption.]* Obviously the House is not clear about this. There is a four-month moratorium which means a four-month delay in payments from the approval of RDGs. The figure of £150 million is based upon the assumption that that arrangement will last for 12 months. Since the Government have estimated the cost of their regional policy, it is important that we should be able to hold to it. It is important for public expenditure to be contained. That is absolutely vital to the Government's economic objectives.

Faced with the problems of sterling in the exchange markets, Opposition Members have sought during the past few days to argue that this is the result of a fundamental defect in Government policy, or of some perception abroad of a fundamental defect in Government policy. If, however, there is any fear abroad about Government policy, it is the fear that Government expenditure is shooting ahead of target. That is why it is all the more important for the Government to stick to their targets.

Mr. Geoffrey Robinson *rose——*

Mr. Lamont: I shall give way in a minute.

If only Opposition Members understood that — but they do not understand it in terms of their attitude to public expenditure. During the last few days we have seen in the foreign exchange markets a mere tremor of no confidence compared with the earthquake of no confidence which would take place if the Opposition were to implement their public expenditure policies.

Mr. Geoffrey Robinson *rose——*

Mr. Lamont: No, I shall not give way.

Mr. Robinson *rose——*

Mr. Lamont: No.

Mr. Speaker: Order.

Mr. Lamont: I have already given way four or five times, Mr. Speaker, so I shall not give way again.

The changes that have been announced will both improve the internal logic of our regional policy and give far better value for money than did the previous policy. Nearly half the £300 million savings will come from the requirement to link grants to jobs and the exclusion of replacement investment.

Surely the Labour party cannot believe that it was right to go on subsidising without choice or discretion large capital projects such as oil refineries and petrochemical plants—plants with little choice of location. That policy did the regions no good. It disrupted them and the effect was often simply to place large amounts of money in the coffers of the multinational corporations and large companies that Labour Members are so anxious to attack.

Labour Members do not like hearing about Sullom Voe, which in one year took one third of Scotland's regional aid and created jobs at a cost of £130,000 a time. But that was far from being the worst example. There were many large projects. At least Sullom Voe created some jobs. Many large projects subsidised by Governments in the past did not create jobs but reduced them.

We are not saying that for industrial or economic reasons the Government may not legitimately wish to subsidise some capital-intensive projects, but the point that we are making is that the Government should have the choice of whether they wish to subsidise those projects. That should not be done automatically.

Mr. Robert Hughes *rose——*

Mr. Lamont: As my hon. Friend the Member for Darlington (Mr. Fallon) pointed out, that change will be made easier by the change that we have made in the balance between selective and automatic assistance. There we follow a change forecast in the White Paper in that we are placing more of the emphasis on selective assistance.

I was asked how much selective assistance would be increased to compensate for the loss in automatic assistance. By 1987-88 we expect selective assistance to have increased by some 40 per cent., or some £50 million.

Mr. Geoffrey Robinson *rose——*

Mr. Lamont: The single most important change that we have made is to link regional policy and regional development grants to the creation of jobs. Our policy will be that if there are no jobs there will be no grant. As an alternative to capital grant companies will be able to choose a job grant of £3,000 for every new job created. The effect of that will be to encourage those projects which may involve little capital but will create many jobs.

Given that the purpose of regional policy is to iron out the differences in unemployment between different areas, and given that hon. Members on both sides of the House are concerned about the current high levels of unemployment, if we are to continue to spend large sums of money on regional policy, as these are, it must be simple common sense to link that expenditure to the creation of jobs. There is little point in spending money on automatic regional assistance for any other reason.

The Government's decisions announced in November were taken after an intensive period of consultation and a lengthy analysis of the effects of regional policy. After 50 years of regional policy it is surely right to re-examine and reappraise the policy. That inclination does not seem to be shared in any way by the Labour party which seems to think that the effectiveness of regional policy is simply to be judged by the amount of money that is spent on it.

Our White Paper suggested that regional policy had created some 500,000 jobs over 20 years in the assisted areas. That sounds a lot, but it is not such an impressive figure for the expenditure of some £20 billion. Many of those jobs would have come into existence anyway. Some are jobs that have simply moved from one part of the country to another. Many of my hon. Friends from the west midlands would say that regional policy had directed firms away from the prosperous areas and added to the problems of a region already burdened with an ailing motor industry.

Sometimes regional policy has diverted high-risk projects to areas where they would not have chosen to go. The simple result has been persistent loss and early mortality. Above all, jobs have been created at the ridiculous cost of £35,000 per net new job. There have

been areas where regional policy has had its successes. Undoubtedly, it has helped with inward investment. It has helped to build up the electronics industry in Scotland and Wales. However, in the country as a whole, it is difficult to say that there have been great changes in the league table of unemployment.

The hon. Member for Rotherham (Mr. Crowther) said that the assisted areas map today is depressingly similar to that of five, 10 or 20 years ago, or even before the war. Given that fact, the answer cannot simply to be throw more money and to continue regardless with the same policy. The right hon. and learned Member for Monklands, East (Mr. Smith) asked how much unemployment would be caused by the cuts in regional policy that we have announced. We do not believe that there will be any rise in unemployment, for these reasons. First, the savings are, to a considerable extent, to be achieved on hitherto wasteful expenditure on large capital projects and on projects that did not create jobs. Secondly, all the calculations about the effects of regional policy on the creation of jobs ignore the adverse effects of regional policy, such as the effects that it has on non-assisted areas. We must be concerned about employment and unemployment on a national scale. Thirdly, if Labour Members think that £300 million savings will destroy jobs, why do they not think that £300 million extra taxes will destroy jobs as well?

The right hon. and learned Member for Monklands, East referred to a speech that I made in Birmingham, and to my observation that taxing or borrowing beyond the country's capacity could destroy jobs and that therefore savings in public expenditure could help to create and preserve jobs. He asked what was the difference between the £300 million that we are saving and the £400 million that we shall continue to spend on regional policy. The difference is that the £300 million that we are saving was being spent inefficiently and ineffectively. It was being wasted on subsidising non-job creating investment and subsidising replacement investment, whereas the £400 million that we shall continue to spend will be spent more cost-effectively.

My hon. Friend the Member for Fife, North-East (Mr. Henderson) referred to the fact that many of the jobs that had been created by regional policy were the wrong ones. As he pointed out, regional policy has concentrated on manufacturing, which has been in decline for some 20 years. While regional policy has continued to subsidise manufacturing and move it to the regions, service jobs have not been eligible for regional development grants and have continued to pile up in the south and in the south-east of England.

The hon. Member for Coventry, North-West said that we had not announced anything positive. I thought that he would have welcomed, as it has been welcomed everywhere and by hon. Members on both sides of the House, the fact that we have decided to extend automatic regional development grants to the service sector. That will be of special benefit to the north-east and to areas such as Merseyside that have depended far too heavily on the old traditional industries and on heavy manufacturing. Such areas need more research and development. They need more headquarters activities. The changes that we have announced will make such developments easier.

The hon. Member for Yeovil (Mr. Ashdown) suggested that our cost per job limit of £10,000 is too low. He will be aware that that is the cost to Government. It is 15 per cent. of the investment. A cost per job limit of £10,000 would mean a total investment for each job of £65,000. That is double the average capital intensity of British industry. Our aim has been to remove the bias in the system, which has been heavily geared towards capital-intensive industry.

Labour Members — especially those on the Front Bench—have refused today to face questions about the effectiveness of regional policy. The hon. Member for Coventry, North-West said that all the creative thinking had come from the Labour Benches, but the Opposition Benches have not produced a single idea during the whole debate. As my hon. Friend the Member for Gloucestershire, West said, Labour Members' deepest conviction is that money grows on trees. They believe that the more money one spends on regional policy the better, regardless of its cost-effectiveness.

The problems addressed in the White Paper have not always been ignored by the Labour party. In a document published in 1982 entitled "Economic Planning and Industrial Democracy" we find the statement:

> "Although it is important to increase capital investment and productive efficiency in assisted areas, relying on capital subsidies as the major regional policy instrument is an extremely expensive way of creating jobs and is ineffective in tackling the serious differences in unemployment rates between regions and localities."

That was what the Opposition said. "Ineffective" is their word. How right they were. That is why they should welcome our policy, which is targeted much more directly on job creation.

In one of his few sensible utterances, the Leader of the Opposition said:

> "We very much do want value for money, because it is our money."

How right he was. It is the taxpayers' money. Regional policy should attempt to get the maximum value in the form of new jobs, and the maximum value for the money spent.

Although in the past the Labour party has shown some recognition of the ineffectiveness of previous regional policy, its only response has been to suggest an enormous array of boards and controls. At the time of the last election, Labour proposed the creation of tripartite regional planning bodies in every region. That was on top of the sector planning committees reporting to the national planning councils, the agreed development plans, the product research unit, the foreign investment unit, the Energy Commission, the Price Commission, and the tripartite investment monitoring agency. All those bodies were to be overseen by some giant department of economic and industrial planning.

Such a policy would certainly have created jobs. It would have created thousands of jobs for bureaucrats and civil servants. It would also have meant six weeks and 10 committee meetings before a local manager was given permission to buy a packet of paper clips. It would have stifled enterprise and doomed the regions and the country to decline.

The fringe publications of the Labour party and of its militant supporters in the constituencies tell us that they do not wish to repeat the mistakes of the past. What they mean is that they will not learn any of the painful and belated lessons that the Labour party learnt in office. They mean that the Labour party should never again recognise the constraints that it was forced to recognise when it was in office. One of the things that the Labour Government

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learnt, to their cost, was that increased inflation and increased public expenditure result in increased unemployment. As those who are faced with the task of managing the economy always realise, Government expenditure does far more harm than good if the price is the resurgence of inflation.

We have explained why we think that the new policy is more effective in creating jobs. There is no reason to apologise for its producing savings of £300 million. That also is good for jobs. It is good news for my right hon. Friend the Chancellor, for the taxpayer and for everyone inside and outside assisted areas. I urge my hon. Friends to reject the amendment and——

Mr. James Hamilton (Motherwell, North) *rose in his place and claimed to move*, That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the amendment be made:—

The House divided: Ayes 195, Noes 260.

Division No. 69] **[10 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Speller, Tony
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. James Hamilton and
Mr. John McWilliam.

NOES

Aitken, Jonathan
Alexander, Richard
Ancram, Michael
Arnold, Tom
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Burt, Alistair
Butcher, John
Butler, Hon Adam
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Cockeram, Eric
Conway, Derek
Coombs, Simon
Cope, John
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Emery, Sir Peter
Fallon, Michael
Fenner, Mrs Peggy
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*

Gardner, Sir Edward *(Fylde)*
Glyn, Dr Alan
Gow, Ian
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Peter
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Michael Neubert and
Mr. Tristan Garel-Jones.

Question accordingly negatived.
Main Question put:—
The House divided: Ayes 261, Noes 192.

Division No 70] **[10.13 pm**

AYES

Aitken, Jonathan
Alexander, Richard
Ancram, Michael
Arnold, Tom
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Burt, Alistair
Butcher, John
Butler, Hon Adam
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Cockeram, Eric
Conway, Derek
Coombs, Simon
Cope, John
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Emery, Sir Peter
Fallon, Michael
Fenner, Mrs Peggy
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Gow, Ian
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Peter
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey

Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Moate, Roger
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Newton, Tony
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Mark Lennox-Boyd.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Hamilton, W. W. *(Central Fife)*
Hancock, Mr. Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Hicks, Robert
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maxton, John
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter

Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Speller, Tony
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Noes:
Mr. James Hamilton and
Mr. John McWilliam.

Question agreed to.

Resolved,

That this House takes note of the Government's statement on 28th November announcing changes in regional industrial incentives; welcomes the closer alignment of the new Assisted Areas map to areas' relative needs for increased employment opportunities; agrees that it is right at a time of high unemployment to relate assistance more directly to jobs; and notes with approval that the increased cost-effectiveness of regional assistance will enable the burden upon taxpayers to be substantially reduced.

Assisted Areas

10.25 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I beg to move,

That an humble Address be presented to Her Majesty, praying that the Assisted Areas Order 1984 (S.I., 1984, No. 1844), dated 26th November 1984, a copy of which was laid before this House on 29th November, be annulled.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to take motion No. 3 on the Order Paper:

That a humble Address be presented to Her Majesty, praying that the Regional Development Grant (Qualifying Activities) Order 1984 (S.I., 1984, No. 1846), dated 26th November 1984, a copy of which was laid before this House on 28th November, be annulled.

Mr. Beith: The Assisted Areas Order concerns the list of places that are eligible for regional aid. The other Order concerns qualifying activities. Most of my attention will be directed to the schedule of places eligible for regional aid. That is where the Government have made their greatest mistakes. I believe that it is useful to take the two orders together so that any hon. Members who wish to refer to qualifying activities can do so.

The widening of the qualifying activities is one of the few parts of the statement that we welcome. The extension to service industries of regional aid is clearly sensible and more accurately deals with the development of an area in which the service industries are an important back-up to manufacturing industry and important providers of jobs. On the whole, we welcome the second order, but, none the less, we feel that it should be debated.

Our greatest reservations concern the map, the schedule, and the list of areas. Many hon. Members on both sides of the House have expressed reservations, many of which are well founded. There are not simply complaints from those whose areas have been excluded from development aid on reasonable objective grounds. There many cases of complaints from those who can point to areas that fulfil in every way the criteria which the Government have set out for inclusion in a development area. The map devised is most at fault.

The criteria that the Government set out and reiterated tonight for determining the places eligible for regional aid included such aspects as high unemployment, high long-term employment, high employment relative to other places, great distances from main markets—which the Government call, in a rather ugly word, "peripherality" —and industrial structure. According to those criteria, a number of places should have been included in the list of places eligible for development aid, but those places were not included.

Several of my hon. Friends have mentioned during debates or raised with me concern about some of these areas. My hon. Friend the Member for Truro (Mr. Penhaligon) has talked about parts of Cornwall which exactly fit those criteria. My hon. Friend the Member for Leeds, West (Mr. Meadowcroft) is concerned about, and, if he catches your eye, Mr. Deputy Speaker, will refer to, the area of west Leeds which meets these criteria, including the additional criterion the Government included about the drain from the centre of cities. On many occasions, I have raised with Ministers the problem of Amble in Northumberland which exactly meets the criteria of having high unemployment relative to the places adjoining it, of being at a great distance from the main markets and of suffering from the problems of an old industrial structure — old industries such as the coal industry having been a dominant employer in the area.

In so many of these cases, areas that have been left out of the list meet the criteria more effectively than the areas left in the list. My hon. Friend the Member for Leeds, West has referred publicly to the contrast between Leeds which is not in a development area and Pudsey which is placed within a development area. On any objective assessment, many parts of Leeds meet the criteria better than places within the development areas. On objective criteria Amble meets the argument far better, for example, than Ponteland which is in the Newcastle travel-to-work area.

The result of this decision is that some of these areas — the most hard hit, the ones upon which the Government claimed that they were going to concentrate their aid—have lost the direct United Kingdom regional aids and their access to EC regional aid, and for many of them that is the most important point. Frankly, they were expecting to get more out of the EC than they were ever hoping to get out of the United Kingdom Government.

But the story does not end there, because they now find themselves facing direct competition from neighbouring areas whose problems are often not as great as theirs. That is a point to which the Minister of State referred when he wound up the earlier debate, the competition between the areas which do have incentives and those which do not. I am sorry to have to tell the Minister that he has picked some of the worst hit areas and left them with precisely that sort of competition, a very unfair competition indeed.

Why should Government and European regional aid be denied to the sort of places that I have described? I think the Minister should get some idea of the sort of places about which I am talking when I refer to Amble, for example. It is a community where one in three adults is already without a job and where only 18 per cent. of pupils stay on into the sixth form. When one compares that with a community like Ponteland, it is interesting to hear what the reaction of one of a Conservative councillor in Ponteland was when he was told that his area was on the map and asked why it was. He said:

"You could not say we are industrial. I am not aware of an unemployment problem though there might be some youngsters out of work."

That was a Conservative member of the Northumberland county council commenting on the inclusion of his area in a development area whereas in Amble 160 youngsters leave the high school in search of their first job every year, and most of them will not find such a job.

The Alnwick district council in presenting its case locally and nationally has drawn attention to some of these youngsters. It picked out one of them, Susan Stewart, who sought to get a job which involved design work, in which she was hoping to specialise and train. The opportunity was there, and what did she find? She read in her newspapers that development aid was going to be lost for Amble. She read in the same newspapers that the firm with which she was going to get a job was moving on to another area where higher development aids were available. It is that competition from neighbouring areas which is now going to be so damaging. Of the 163 school leavers from the local high school last year, 143 are still without a

permanent job. It is those sort of circumstances in which the competition from neighbouring areas will be insufferable and unreasonable.

Why is it happening? Why have the Government done such a monstrously callous and heartless thing as to exclude some of the areas that I have described, and others to which the Minister's hon. Friends have referred, from regional aid? Why have they delivered that blow to communities which deserve help under all the guidelines which the Government themselves have set out?

I think that the clue to the answer is given in a letter which was sent to my hon. Friend the Member for Leeds, West by the West Yorkshire county council. It makes this point and says:

"The Government's insistence that it cannot depart from the principle of defining Assisted Areas on the basis of Travel-to-Work Areas means that economic blackspots within the County have been ignored".

It is the insistence on using travel-to-work areas inflexibly as the boundary. The same point, indeed, was made by the hon. Member for Tayside, North (Mr. Walker) when he spoke. Indeed, he made the point that in his constituency Pitlochry, Blairgowne and Aberfeldy were so much set apart by hills that nobody travels between them for work and in no real sense are they a genuine travel-to-work area. So many of these travel-to-work areas conceal pockets of high unemployment. Some of them may well be appropriate for defining regional aid boundaries, but some of them manifestly are not.

The Government should have been readier to recognise that they have alternatives at their disposal if they do not want to use those areas.

In an earlier debate I said that the regional aid map which the Government have produced has been drawn by somebody sitting behind a desk in London who had never been to many of the places affected and did not understand their problems. I got an interesting reply to that point from the Parliamentary Under-Secretary. He quoted what I said, and stated:

"Nothing could be further from the truth, and I shall explain why. The travel-to-work boundaries were first drafted by the Centre for Urban and Regional Development Studies at Newcastle university, which may surprise the hon. Member".

It does not really surprise me—I used to work there. He continued:

"Those sitting behind their desks in London then sought the advice of those with local knowledge, particularly on any recent local developments that could have led to changes in the travel patterns since the census."—[*Official Report*, 19 December 1984; Vol. 70, c. 410.]

I took the trouble to talk to the people at Newcastle university who had been involved in the process of defining travel-to-work areas. The first point that they were bound to make in their own defence was that they were asked by the Department of Employment to draw up areas which were reasonable units for the collection and reporting of unemployment figures. They were never asked to set out boundaries which might reasonably define where development aid should go. As reputable academic statisticians, they did the job assigned to them according to the proper criteria. They assessed what would be reasonable areas for reporting the figures of unemployment.

That was not the end of the story. As the Minister said, the next job was to seek the advice of local people as to whether other factors should be taken into account. The Minister responsible supposedly did so, but he gave the local authorities a week only in which to respond. That did not deter the local authorities in Northumberland, and I am sure that it did not deter those in areas such as west Yorkshire either. They made their responses and not the slightest bit of notice was taken of them. It was the contrary. The local authorities produced a far more reasonable proposition than we now have before us.

I shall deal more precisely with the case of the Amble and Alnwick area. The Minister may not realise—I am glad that the information is being hastily brought to him—that the statistics produced by the centre at Newcastle university gave travel-to-work areas other than those that he has brought before the House. The travel-to-work area for Amble and Alnwick was not the large area that he has now. It was much smaller and excluded the whole of the western area and confined itself to the area from Alnwick to the coast. That was a much more reasonable unit.

The advice of the local authorities was to link Amble and the area immediately to its south. If the Minister had accepted the first suggestion from Newcastle university's centre he would have had a better map than he has now. If he had accepted the local authorities' advice he would have had a still better map.

None of the advice that he received from Newcastle university, people on the spot, or, I suspect, his regional officials led to the conclusions that he has now reached.

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): I did not draw up the travel-to-work areas. It is done by the Department of Employment for a specific purpose other than regional policy. It is done to measure unemployment over the smallest most meaningful area that unemployment can be measured. Given that that is the purpose, it nevertheless makes sense to use it for regional policy.

Mr. Beith: The Minister has made my point. He did not define those boundaries, and the advice that I and others gave to him was that he should never have thought himself bound by them in the first place. He did not devise them and they were not devised for the purpose that has brought him to the House tonight. They were not devised to determine regional aid boundaries. They were defined by another Department for the reporting of unemployment figures. If I seem, by attacking collective responsibility, to be castigating him personally, that is not what I am doing. I was referring to his colleagues in his Department making such a spirited defence of the figures. I was trying to get to the facts which are that if we look at the original travel-to-work areas produced by the statisticians, they did not produce this crazy map.

Mr. Tony Speller (Devon, North): Is the hon. Gentleman aware of any case similar to that of Ilfracombe in north Devon, where in July the Department of Employment advised me that it was looking at the figures and moving two areas in together—one good and one bad one? We should have smelt the rat which was there to be smelt. A few months later the two areas lost all status at one blow. Has that happened to the hon. Gentleman's knowledge elsewhere, perhaps in his own part of the country?

Mr. Beith: The hon. Gentleman makes a sound point. His case is similar to mine. The advice that the Department of Employment took was not heeded. The Government have patched together a larger area to suit their own convenience. I have read the Adjournment debate that the

[Mr. Beith]

hon. Gentleman raised on the subject of Ilfracombe. There is a remarkable similarity. The figures were produced by another Government Department. What should Ministers responsible for regional development have done? They should have looked at the map and said that it did not fit their needs; it did not correspond to the reality of high unemployment. They do not have the guts to stand up to their colleagues across the street or across the building in another Department and say, "You did a job for your own purposes; it will not do for ours." They should have devised a map which met their own purpose.

Mr. Norman Lamont: As the purpose they follow is to measure unemployment meaningfully, why is that wrong for regional policy?

Mr. Beith: It does not measure unemployment meaningfully.

Mr. Lamont: That is their objective. If that is their purpose, it is irrelevant for the hon. Gentleman to say that it has nothing to do with regional policy.

Mr. Beith: I have been trying to explain to the Minister why it does not work for that purpose, and he is getting restive about it. A travel-to-work area does not define levels of high unemployment. It is a way of reporting unemployment figures. It does not necessarily indentify unemployment blackspots. Indeed, if one takes the statistical criteria, one can use the whole of the country as a travel-to-work area because 70 per cent. of people come in under both headings; they work and live in it. The size of areas is very much determined by the administrative convenience of the Department of Employment, not to provide reasonable units for the hon. Gentleman to use for his purpose of regional policy.

Mr. David Penhaligon (Truro): It creates lunacies the other way about in that Stratford-on-Avon, Solihull and Sutton Coldfield are included for special development assistance when, by any judgment, they do not need it.

Mr. Beith: I ask the Minister to go to the Darras Hall estate in Ponteland, or to some of those places that got included in the west midlands area, and ask himself whether the exercise of using travel-to-work areas has successfully identified in those instances the places that are most urgently in need of regional aid.

Mr. David Alton (Liverpool, Mossley Hill): I intervene to illustrate my hon. Friend's point still further. The Bull Ring in inner city, Liverpool, in my constituency, where unemployment is running at 45 per cent., is now included in an area which also includes the constituencies of the hon. Members for City of Chester (Mr. Morrison), of Wirral, West (Mr. Hunt) and of Wallasey (Mrs. Chalker), all of which are represented in this House by Ministers and in all of which the rates of unemployment are only a fraction of that in central Liverpool. Does my hon. Friend think that that has anything to do other than with pork barrel politics?

Mr. Beith: A Pandora's box of places mysteriously included is being opened, but without my hon. Friend's local knowledge I will not begin to speculate on the reasons involved. Suffice it to say that the travel-to-work areas in a number of instances do not successfully identify the areas of greatest need. They embrace areas which do not have the same high needs and they exclude some areas which are in great need.

If the statutory framework within which the Minister was working had given him no choice but to work from the travel-to-work areas, it would have been another matter and we should be demanding that new legislation be introduced. But the House has only recently passed the Co-operative Development Agency and Industrial Development Act 1984, which sets out what the Minister can do. I do not know why the hon. Gentleman did not examine that measure and see the wide range of choices open to him.

The Minister could have made an order under the appropriate section describing a development area by reference towards, travel-to-work areas or

"any other area which has been created by or exists or existed for the purposes of any Act or Statutory Instrument, whenever passed or made."

Thus, anything that has ever been defined in a statute as an area he could have used; his choice was limitless.

In one case, in one city, the Minister had the sense to realise that he had to do something different, and that was in Manchester. There, he used local government wards to define the boundary. I am tempted to attribute it to an outbreak of wisdom on his part, but I know that the real reason was other than that. It was that when he and his officials got to Manchester they realised that they were pushing against the barrier of the total percentage that they would be allowed to claim for development assistance under the European development fund. Accordingly, they started somewhat to redefine in Manchester, which was not unreasonable, because had they left Bramhall in the regional development area they would have deserved the same criticisms as I am delivering to them in relation to a number of other places elsewhere in the country.

I do not complain, therefore, at that being done in Manchester. But why in only one place in one part of the United Kingdom did they use the flexibility available to them under the Act? They have handed over their duties to Ministers in other Departments, they have taken hand-me-down areas provided for a wholly different purpose and they have failed to examine whether they met the needs of the case. As my hon. Friends and I have sought to show on many occasions, the Government have made the gravest mistakes in the map by so doing.

The controversial points that have been raised today are deeply felt by Members who sincerely believe that the Government have excluded areas which fulfil all or most of the criteria and genuinely need that kind of help. There is still a chance to remedy the deficiency. The Under-Secretary of State is reported to have said on a visit to the north-east that the map would not be set in concrete but subject to regular review. I ask the Minister to hold out some hope to school leavers in the communities that I have described and to local authority officials desperately trying to attract industry to their areas and to help industry to stay there in the face of competition from nearby areas receiving assistance but often without anything like the same problems.

The map contains errors. There may be members of the present Administration who regard themselves as infallible, but I am sure that the Minister is not one of them. I am sure that he recognises that even the passage of time can change these things, not to mention the original errors.

Mr. Paddy Ashdown (Yeovil): Does my hon. Friend agree that it would be useful to know how long the map is intended to remain in operation? I understand that it is intended to operate without further review for five years. Perhaps the Minister will tell us whether that is so and whether he agrees that as the 1979 map became out of date so quickly, regular and far more frequent reviews would be most helpful.

Mr. Beith: I am sure that my hon. Friend is quite right. Moreover, it would be entirely consistent with the Minister's earlier remarks about not hanging on to regional policies that were no longer working if he would guarantee that he will review the boundaries annually and that he will be prepared at any time to consider cases which clearly meet the criteria that he set out but which have so far not been included. I hope that he will give at least that much hope to areas which sincerely feel that he and other Ministers have delivered them blow after blow as they desperately try to fight their way out of difficulty and depression. The areas that I have described are trying desperately to help themselves, but the Government seem intent on hindering them.

As the procedures of the House do not allow us to amend the order, I ask my hon. Friends to vote against it, but I hope that the Minister will offer some hope by saying that he is prepared to reconsider cases which cry out as loudly as those that I have mentioned.

10.47 pm

Sir Peter Blaker (Blackpool, South): I, too, wish to refer to an area that I believe has been wrongly deprived of assisted area status—the town of Blackpool, part of which I have the honour to represent. My hon. and learned Friend the Member for Blackpool, North (Mr. Miscampbell) mentioned this briefly in the earlier debate and I wish to elaborate on it.

Unemployment in the Blackpool local authority area in December was 20·2 per cent. The average for the whole of 1984 was 17·8 per cent. Those figures are a good deal higher than those for the generality of intermediate areas and for some of the development areas.

I cannot support the Government in the Lobby today because, although they are right to try to reduce the total cost of regional aid and to make the whole policy more job orientated, I believe that they have made a mistake in relation to Blackpool.

What matters more than anything else to Blackpool is the resulting deprivation of European Community assistance because it has already embarked on a number of very important projects and was about to embark on others which would have received assistance from the European investment bank or the European regional development fund.

The definition of travel-to-work areas has been discussed. I, too, have a criticism to make. Blackpool is part of a travel-to-work area that covers the whole of the Fylde. As my hon. and learned Friend the Member for Blackpool, North said, Fylde, just to the south of Blackpool, has relatively little unemployment—about 9 per cent. That totally alters the unemployment picture. Even though Blackpool is by far the largest local government unit in the Fylde area, the figures for the travel-to-work area are fundamentally altered, in a way that has deprived the area as a whole of its assisted status.

But even if one takes the travel-to-work area as a whole, the December 1984 unemployment figures were 16·5 per cent. The average for 1984 as a whole was 14·9 per cent. That figure is higher than the figures for three of the intermediate areas in the north-west — Accrington and Rossendale, Manchester and Oldham. If one takes the main criterion, unemployment, which the Government have been using, and the travel-to-work area of which Blackpool is a part, it is hard to justify the fact that Blackpool and the Fylde do not qualify as a travel-to-work area.

I repeat the point made by my hon. and learned Friend the Member for Blackpool, North. The local authority area of Blackpool alone passes all the tests to qualify as a travel-to-work area. It has a potential working population of 60,000. It is larger than two-thirds of the travel to work areas in the north-west.

Relevant also is the speed at which the unemployment figures in Blackpool and the travel-to-work areas have increased. Between 1983 and 1984 they increased in Blackpool by 1·8 per cent., in the travel-to-work area by 1·3 per cent., in Lancashire by 0·7 per cent. and in the United Kingdom as a whole by 0·6 per cent. That is a very worrying trend for those of us who represent Blackpool and the Fylde. I do not know when the Government froze the figures in coming to their decision. If they had taken the figures a little later they might have made a different decision about Blackpool. I do not remember hearing my right hon. Friend the Secretary of State or my right hon. Friend the Minister of State spelling out fully the six criteria that they used. If they did, I apologise for not having grasped them. However, I wonder whether they took account of the trend in the different areas. If they had done so I believe that it would have been very relevant.

Blackpool and the Fylde have been trying to help themselves. They do not believe in relying principally upon handouts from the Government. They have been trying to compete with the Costa Brava by building their own indoor Costa Brava. It is already under construction and will cost £16 million. They still hope that they will be able to complete most of it in time to receive a very substantial grant from the European regional development fund. They have in mind other important projects, which are fundamental to the tourist life of Blackpool—still the most important part of Blackpool's livelihood. They include a road right into the middle of the town for tourist purposes, more car parks and coach parks and a 70 acre industrial site whose infrastructure has just been completed. Ironically, the first sod was turned at just about the same time as the Minister announced the change in policy. Important work has to be done for coastal protection. The storms in the Irish Sea do not take account of whether Blackpool enjoys assisted area status. The Winter Gardens, built about 100 years ago and still, in my view, one of the best conference halls in the country, will need to be modernised to match the modern conference halls being built in other parts of the country. Blackpool airport will need modernisation because the runway is getting old. The town had hoped to have an electrified railway link to Preston and Manchester. All those proposals could have qualified for aid from the EC. Now the prospect of getting that aid has been removed.

If such schemes are carried out most of them would have to be with money from the local authority. What will happen if the local authority does that? What will happen if it spends money repairing the airport runway? It will run into the problem that it will be penalised by my right hon. Friend the Secretary of State for the Environment for

[Sir Peter Blaker]

overspending. It does not wish to overspend and be penalised. It had expected to receive substantial grants, up to 30 per cent., from the EC, but it may not do so now for some of the projects. Therefore it faces the dilemma of deciding whether to scrap those projects, with all the attendant disadvantages, or to go ahead and risk the penalties that the Secretary of State would inflict.

The Government should think a bit more about their policy for the assistance of tourism. The Government say that tourism is increasingly important in our national scene. It is a great earner and saver of foreign currency. Industrial towns outside the assisted areas have enjoyed certain benefits by way of Government assistance, from urban schemes, and so on. But if a tourist region is outside the assisted areas it receives little help at all and has no recourse to the EC, which has been helpful to the British tourist industry. It can only go to the English Tourist Board if it is in England. The total grant available under section 4 of the Development of Tourism Act 1969 is about £8 million, and it is clearly not available for projects of the magnitude that I have been describing. So assistance from the EC would be available to develop tourism or conference facilities in sunny Wolverhampton or beautiful Oldham or Sheffield, but not in Blackpool. The Government really should re-examine that situation.

To sum up, I hope that the Government will bear in mind that Blackpool has all the qualifications for a travel-to-work area on its own. I should like the Minister to say whether, in examining the plans that the Government have announced, allowance was made for the speed of change to which I have referred—the speed of growth in the unemployment figures in different areas and the speed of change of different industries.

If the need to renew the industrial infrastructure was one of the criteria which the Government used, what about the need to renew the infrastructure of tourism? The changes in tourism have been more rapid than the changes in almost any other industry in the past forty years. I hope that when he replies my hon. Friend will say something about the Government's attitude to tourism in the context of the question that I put to him.

I also hope that my hon. Friend will answer the question put to him from the Liberal Benches. How long shall we have to wait for a review of the Government's policy? I hope that it is not true that we shall have to wait five years. That is much too long. It is possible that in some of the areas where unemployment has been increasing fast action will have to be taken much sooner.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. I appeal for extreme brevity. The Front Bench is hoping to catch my eye at 11.15.

11 pm

Mr. Tom Clarke (Monklands, West): The interest that the House has in these orders is comprehensive. My interest is encapsulated in the explanatory note to the order dealing with industrial development in assisted areas. It says:

"The Order revokes all earlier Assisted Area Orders with appropriate saving provisions."

I shall try to be brief. My submission is that we have not given sufficient thought to existing policies before we have found ourselves rushing headlong into a new approach—an approach reflected in the debate earlier today and in the order itself.

I wish to draw to the attention of the Minister, as we consider the problems of travel-to-work areas, infrastructure and accessibility of European funds and the rest, the impact that these policies have on people and particularly upon the people of my region of Strathclyde. It represents half of the population in Scotland and has grave reservations about the policies that the Minister is adopting, which are reflected in the orders.

Strathclyde regional council published an excellent document, which I commend to the Minister, called "Strathclyde economic trends" in January this year. It made a number of interesting points, points that advance the case for increasing regional aid and public expenditure and not reducing them. Among the numerous points that it made, and which I commend to the Minister for his consideration, and to those Tory Members who spoke on the earlier debates, there is the comment that

"the Chief Executive's Department has estimated that were it not for the various governmental 'Special Measures', 37,100 more people would be unemployed in Strathclyde in October 1984."

That was the case under existing regional aid policy, so when Tory Members say, as they did today, that public expenditure does not lead to jobs, I suggest that the available evidence shows that that simply is not the case. It is astonishing, in the light of the orders, that the Tory party campaigned in the general election on the issue that our defence policies would cost jobs because of the reduction in defence expenditure. Today, we are being told that the reduction of expenditure in the public sector will not necessarily mean that there are fewer jobs. I do not accept that. I plead, as most people in Strathclyde do, for increased investment at a higher level than that envisaged in the order.

The report revealed that in youth unemployment, the ratio is 246 young people chasing every job. I am concerned about long-term unemployment, and in my constituency, the report shows that in Coatbridge, of those unemployed, 25·5 per cent. have been without a job for two years or more. In Chryston and Kelvin Valley, again in my constituency, the figure is 19 per cent. Surely the whole position calls for more public investment than the Government's figures, representing £100 million less in Scotland, would suggest.

The fact is that the order is a mean-minded order, representing the Government's mean-minded approach. That approach was made clear when the Minister made a statement on 28 November, on the same day that we heard about the abolition of skillcentres in Scotland. The hon. Gentleman said that there would be

"a considerable lightening of the public expenditure burden".—[*Official Report*, 28 November 1984; Vol. 68, c. 937.]

That is the point of the order. It is not about finding jobs or correcting regional imbalances—and in any case we have heard this evening about the anomalies that are being created. The Government's concern is to reduce public expenditure, and in reducing regional aid they have found a convenient policy.

In Scotland, the measures have been found to be almost universally unacceptable. The Fraser of Allander Institute, for example, states:

"We can expect no significant reduction of unemployment during the remainder of this decade".

I suggest that unemployment in Scotland, with its frustrations and heartaches, is far too severe to permit us to consider the possibility even of its continuance at the present level, let alone an increase.

I hope that the House will reject the order, because the philosophy underlying it is not only repugnant but divisive. Speeches from the Government Benches have illustrated the arrogance of intellect coupled with the brutality of power. The Government's approach lacks both the sensitivity and the compassion of the Earl of Stockton, the right hon. Member for Old Bexley and Sidcup (Mr. Heath) and the Bishop of Liverpool, among others. Because of that lack of compassion, and because the British and the Scottish people have been misled about the Government's approach, I urge the House to reject both the orders and the Government's policies.

11.7 pm

Mr. Robert Hicks (Cornwall, South-East): I have always believed that the primary purpose of a meaningful regional policy—indeed, its justification—is to help to create a situation in which each region contributes to and shares in the nation's prosperity and advancement. However, the designation of the new assisted areas and the list of qualifyig activities, sadly, will not help us to achieve that objective.

We face a real problem of widening regional disparities. The nation as a whole has a responsibility to try to improve the level of activity in the less prosperous parts of the United Kingdom. Other hon. Members have already referred to the growing problems created by the rapid development of technology, the changing patterns of demand, and the difficulties created when, in certain regions, the industries that once formed the basis of economic activity start to decline. The country as a whole has an obligation to try to reduce the basic disparities that result.

The Government are right periodically to reappraise regional structures but on this occasion public expenditure considerations seem to have dominated, rather than the needs of the regions themselves. That is especially worrying, because we face both high unemployment and, in certain regions, reduced average incomes.

When I spoke in the regional debate in July 1979 I pointed out that Cornwall had an unemployment figure of 12 per cent. and that average earnings in Cornwall—at that time the lowest in the United Kingdom—were 83·8 per cent. of the national average. Today, the corresponding figures are 19·2 per cent. unemployment and 80·1 per cent. of average earnings. The gap has widened in both cases. The same trend has occurred in the great majority of peripheral and assisted areas.

The Government are less vulnerable on how they intend to spend regional aid. The suggestions are more sensible and cost effective, but the scale of resources that they intend to devote to regional assistance worries me. The orders do not suggest a strong commitment to less favoured areas at a time of widening social and economic disparities. We are reducing expenditure on regional policy from a projected £700 million to £400 million.

I am disappointed that the Government have not taken a more positive initiative in linking regional proposals with the responsibilities of other Departments of State which have a regional dimension. I refer to the work of the Development Commission, the various Manpower Service Commission schemes, inner-city policies, the vital need for improved infrastructure and, as my right hon. Friend the Member for Blackpool, South (Sir P. Blaker) said, the need to co-ordinate and integrate tourism policies into regional economies, because tourism is often one of the basic ingredients of regional economic structures.

I make no apology for referring to an amendment that I tabled and which appears on the Order Paper. It concerns the danger of a divided Britain—the greatest potential economic and social problem that faces the country. I ask my hon. Friend the Minister to remember that the decisions that we are making in respect of regional policies will, in the short and long term, have a real influence on whether we have a divided Britain.

Mr. Speller: Does my hon. Friend agree that part of the basic tenet of his argument is supported by the fact that when the orders go through, as inevitably they will, the time for people who have worked for improvements through assisted or development area status will be so short that it will be impossible for any useful purpose to be served during the three months for notification or until implementation in November? Does he agree that Britain is also divided in sheer fury at the fact that people have worked hard to improve matters with Government help, which has now been suddenly and completely withdrawn?

Mr. Hicks: I fully understand my hon. Friend's sentiments. I fail to understand the logic of the omission of north Devon as a designated assisted area.

These proposals, as outlined so far, do not constitute a meaningful regional strategy in economic or social terms for reasons that I have had to set out hastily. They are not consistent with the concept of one nation Conservatism to which I subscribe.

11.15 pm

Mr. Derek Fatchett (Leeds, Central): At this stage, I must be brief. However, the problem underpinning the orders is that the Government have used the travel-to-work areas as the building bricks of their regional policy. I can illustrate the problems involved in two ways.

First, anomalies are created by the fact that the travel-to-work areas include certain areas that should not necessarily qualify for regional aid. For example, in the Bradford travel-to-work area the Government include Pudsey, made up of the two metropolitan district wards. In Pudsey, the unemployment rate stands at 7·3 per cent., according to the most recently available figures. One can only speculate that it is blessed with regional aid because the Minister of State, Home Office represents that constituency.

Secondly, the new map shows that large sections of the south Yorkshire coalfield will be covered, while none of the west Yorkshire coalfields qualify. I think that my hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse) would have made that point earlier if he had been able to. In addition, the use of the travel-to-work areas does not reflect the problems of the inner city. My constituency of Leeds, Central has an unemployment rate of 21·2 per cent., yet it does not qualify, although Pudsey, which has an unemployment rate one third of that, and which is only four miles down the road, qualifies.

A system that produces those injustices and anomalies is wrong in practice and principle. We need a regional policy that is sensitive enough to recognise the real areas of difficulty in unemployment, and which pushes aid in that direction instead of using the present building blocks.

11.16 pm

Mr. Geoffrey Robinson (Coventry, North-West): I am sure that many hon. Members regret the fact that we are having to discuss this most important issue of the map at this late hour, and under this time restriction. It is not what my right hon. Friend the Member for Swansea, West (Mr. Williams) and I had planned during the Committee stage, but it is not the Government's fault that the parliamentary tactics of other minority parties have meant that of the 40 hon. Members who wished to participate in the debate —many of whom no doubt have constituency interests and important points to make about the map's impact on their areas—only 25 hon. Members have been able to take part, including four Front Bench spokesmen. Probably fewer than half of the Back Benchers who wished to have taken part in the debate.

It is quite appropriate that we should have restricted our Front Bench to a few minutes. However, we shall need those few minutes, because it is clear that the map has everything to do with economy and nothing to do with regional policy. There is only a short time available to the Minister, but could he tell us the real reason—other than his insatiable appetite for cutting Government expenditure—for abolishing special development areas? I suspect there is no reason for doing that other than his appetite. After all, it is very flexible instrument for tackling those very pockets of unemployment to which the Secretary of State referred at such length.

We have already heard that the £300 million cut in the regional development grant will only be made good to about one sixth or some 14 or 15 per cent. by the increase in discretionary allowance. So the map has really been drawn so widely on the basis of the travel-to-work areas to enable as many areas as possible to qualify for the European Regional Development Fund. The Minister should come clean about that.

The question of travel-to-work areas is genuinely difficult, as my right hon. and hon. Friends in the Labour Government know. It gives rise to anomalies that are difficult to avoid and that put temptation in the way of Ministers, of whichever Government, to manipulate the building blocks to favour their electoral chances. The proposal is not the best. I would have thought that a Government who undertook a comprehensive review, about which we have been told so much, would have included in it, the alternative or additional ways available to or considered by them, in which the map could be classified. We did not hear about them in Committee or on Report. Perhaps the Minister will tell us about them in his reply.

It is clear that we could take a different basis for drawing up the map. In Manchester the wards were taken as the basis. We can point to many anomalies. Neither my right hon. and hon. Friends nor the Minister would wish me to point to an excessive extension in the west midlands.

I should like clear answers from the Minister on four points. Why were the special development agencies disposed of? Were the intermediate areas made only to make eligibility to the European regional development fund possible? Why were no alternatives or additional possibilities considered as a theoretical package or basis for the new map? I reject the idea of considering the matter annually. That is quite impracticable, and out of the question. If, because of the existence of travel-to-work areas, it can be demonstrated that there are bad anomalies, will he consider them sympathetically?

11.21 pm

The Minister of State, Department of Trade and Industry (Mr. Normon Lamont): I shall try to answer some of the points raised but, alas, time will not permit me to answer all of them.

My right hon. Friend the Member for Blackpool, South (Sir. P. Blaker) asked what criteria were used, and whether we considered future trends in unemployment and industrial structure. He was especially worried that tourism in Blackpool would be vulnerable. Yes, we considered industrial structure and therefore, by implication, the trend of the local economy. Blackpool was not in the worst 100 travel-to-work areas for long-term unemployment, industrial structure or occupational structure. I know that my right hon. Friend disagrees with our decision, but I assure him that we addressed that point.

My right hon. Friend asked about tourism policy and said that those outside assisted areas could not receive help with tourism projects. That is true of the European dimension and the European regional development fund. The Community does not have a separate tourism policy, and all aid goes through the ERDF. However, as my right hon. Friend knows, tourism in the United Kingdom is administered on a national basis away from regional policy. That change was specifically made by the Conservative Government before the general election because the tourist industry wanted to get away from being linked to assisted areas. No one would wish to return to that linkage, although I know that my right hon. Friend says that the resources devoted to tourism are not large compared with the sums employed in regional policy.

The main point was raised by the hon. Member for Berwick-upon-Tweed (Mr. Beith) and related to travel-to-work areas. I cannot pretend to be an expert on the methodology of travel-to-work areas.

They are compiled for the specific purpose of measuring unemployment. TTWAs are groupings of local employment offices amalgamated in such a way as to represent reasonable labour market areas. I know that the hon. Gentleman would be much happier if I said that I was an expert on travel-to-work areas and knew everything about them. In future, I shall behave with just as much immodesty as he does.

Travel-to-work areas are only approximations to local labour markets, and I accept that, in reality, local labour market areas overlap. There is evidence that people in some groups seek work over wide areas, and obviously at any time the area in which residents of a locality seek work will depend upon transport and the pattern of employment opportunities. But, as I said in an intervention in the speech of the hon. Gentleman, the Department of Employment compiles the figures in that way for the specific purpose of trying to measure unemployment meaningfully. The Department does not believe that it can be measured on any other basis. Regional policy must have everything to do with measuring unemployment meaningfully, because that is central to its purpose.

There are many ways in which travel-to-work areas could be defined. People who are disadvantaged as a result of our decisions will complain when they see a relatively prosperous area, or an area with low unemployment, being included with another area. But we must accommodate

every area somewhere, and the little areas that some people do not want in their travel-to-work areas or constituencies must be fitted into the map. Of course, wherever they go, some people do not like them.

It does not make sense to measure unemployment on units smaller than travel-to-work areas. We could define smaller areas that have a higher percentage of people working and living in them. But travel-to-work areas are defined on the basis that 70 per cent. of the people who live there, work there, and 70 per cent. of those who work there, live there. People can travel to work in those areas. Of course, sometimes there are local black spots within those areas, just as there are sometimes small areas within them that have better than average unemployment. We must inevitably deal with some averages.

The result of our decisions was that the average for the intermediate areas for the year in which we measured unemployment was 15·5 per cent. Alnwick and Amble was 14·5 per cent., and Blackpool was 14·3 per cent. I could continue, but I know that the hon. Member for Leeds, West (Mr. Meadowcroft) wishes to speak briefly.

11.27 pm

Mr. Michael Meadowcroft (Leeds, West): I am grateful to the Minister for allowing me to speak. Travel-to-work areas were always artificial, they are now nonsense, and they will be extremely damaging in terms of unemployment in the inner cities. With high unemployment so widespread, the travel-to-work area principle fails to address the problems of 1985 and beyond. The main problem is that, although in the south and the west there are pockets of poverty, in many of our inner cities there are no pockets of wealth. In that context, although 35 per cent. of the country is covered, some areas that have immense problems and huge unemployment are not covered.

What that means in my area is that the inner city of Leeds is the only major inner city that remains unassisted, although it has urban programme status and is in a metropolitan county. It is crazy. The Minister abandoned the travel-to-work principle in Manchester. If he is prepared to do that, the difference is one only of scale, not of principle. If he is prepared to do that in Manchester, I do not understand why he will not accept that the principle can be followed elsewhere.

My hon. Friend the Member for Liverpool, Mossley Hill (Mr. Alton) read out a long list of Ministers' constituencies that are part of his travel-to-work area. The same is true of Leeds. Pudsey—the costituency of the Minister of State, Home Office—has half as many unemployed people as does my constituency, which is next door, but almost twice as many people from Pudsey travel to work to Leeds than as the number who travel to Bradford. Pudsey constituency is now in a assisted travel-from-work area. There is something sadly wrong with a policy of regional assistance that does not address the problems of inner cities but seeks to include the problems of suburbs, which are not nearly so strong.

Question put:—

The House divided: Ayes 113, Noes 179.

Division No. 71] **[11.30 pm**

AYES

Alton, David
Anderson, Donald
Ashdown, Paddy
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boyes, Roland
Brown, Gordon *(D'f'rmline E)*
Bruce, Malcolm
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dobson, Frank
Dormand, Jack
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ellis, Raymond
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foster, Derek
Freud, Clement
Garrett, W. E.
Godman, Dr Norman
Hancock, Mr. Michael
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Hicks, Robert
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Simon *(Southwark)*
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kirkwood, Archy
Leadbitter, Ted
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
Maclennan, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Nellist, David
O'Neill, Martin
Owen, Rt Hon Dr David
Patchett, Terry
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Rees, Rt Hon M. *(Leeds S)*
Robinson, G. *(Coventry NW)*
Sheerman, Barry
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Speller, Tony
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Thompson, J. *(Wansbeck)*
Tinn, James
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. A. J. Beith and
Mr. Michael Meadowcroft.

NOES

Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Biffen, Rt Hon John
Boscawen, Hon Robert
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Burt, Alistair
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Clark, Dr Michael *(Rochford)*
Conway, Derek
Cope, John
Currie, Mrs Edwina
Douglas-Hamilton, Lord J.
Dunn, Robert
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Marcus
Franks, Cecil
Freeman, Roger
Gale, Roger
Galley, Roy
Gow, Ian
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawksley, Warren
Hayes, J.

Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Jackson, Robert
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lightbown, David
Lilley, Peter
Lloyd, Peter, *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, John
MacKay, Andrew *(Berkshire)*
Maclean, David John
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Mather, Carol
Maude, Hon Francis
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Montgomery, Sir Fergus
Moore, John
Moynihan, Hon C.
Murphy, Christopher
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rhodes James, Robert
Rhys Williams, Sir Brandon
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Squire, Robin
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
Waddington, David
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tony Durant and
Mr. Tristan Garel-Jones.

Question accordingly negatived.

Regional Development Grant

11.41 pm

The Minister of State, Department of Trade and Industry (Mr. Norman Lamont): I beg to move,

That the Regional Development Grant (Prescribed Percentage, Amount and Limit) Order 1984 (S.I., 1984, No. 1843), dated 26th November 1984, a copy of which was laid before this House on 28th November, be approved.

The Co-operative Development Agency and Industrial Development Act 1984 provided the structure for the new scheme of regional development grants. The affirmative order specifies the key components—the rate of capital grant, the amount of job grant, and the grant per job limit, called the prescribed limit in the order. Although the official Opposition spokesman appears not to be present, I take it that it is none the less in order for me to address the subject.

In setting the rate of capital grant—the prescribed percentage—the Government weighed, on the one hand, the risk of setting the rate so low that it would not be taken into account when investment decisions were made and, on the other hand, setting the rate too high with the risk that much of the amount paid would be dead weight. We also took into account previous rates of grant and responses made to the White Paper.

The job grant—the prescribed amount—has been set at £3,000. As the House will recall from our previous debates, from today and from the Committee stage, this is an alternative to the capital grant and, I must stress, is available where it is more advantageous to the applicant. Companies will automatically receive the most favourable of the two forms of assistance.

Hon. Members are aware from our debates during the passage of the Act that our regional aids are subjct to limits laid down by the EEC which are binding on all member states. In respect of the amount which may be paid as job grant in development areas in Great Britain, this limit is 5,500 European units of account. When last notified by the EC Commission, this was £3,150. Given currency fluctuations, obviously it would not be desirable for the job grant to be set right at the EEC ceiling. Consequently, the limit was set at £3,000 to avoid such problems.

Before turning to the grant per job limit — the prescribed limit, as it is described in the order — I should say that job grant will be payable only in respect of net new jobs created by a project. Again this will be familiar to those hon. Members who served on the Committee which dealt with the legislation. For RDG purposes a net new job is a job created as a direct result of a project within a development area within the undertaking carrying out the project, net of any jobs lost elsewhere in the development area within the same undertaking also as a direct result of the project. Any jobs lost in an intermediate area over and above any jobs created in an intermediate area will also be netted off. Let me repeat that it is not the Government's policy to subsidise the shuffling of jobs between assisted areas. I do not think that that makes any sense.

Lastly, on the grant per job limit, I do not intend to repeat all the arguments which underline the Government's introduction of a grant per job limit into the RDG scheme. I have quoted one case many times, including this afternoon, and so I shall not name it again, but at least that project created jobs, albeit expensive ones.

Regional policy is about jobs, and the Government make no bones about the fact that our intention is that the policy should be more closely related to the creation of jobs. We have introduced a limit of £10,000. At that level only projects that cost more than £65,000 per job—above average capital intensity—will be affected by it. Therefore in many cases it will not bite and thus will not affect the predictability of grant. But where it bites it has the effect of considerably reducing what in the past has been excessive expenditure.

There is one exception to the limit. The first £500,000 of RDG eligible expenditure on a project undertaken by a small undertaking will be exempt from the grant-per-job limit. Where project costs exceed £500,000, grant on costs above that amount will be calculated in the normal way — the grant-per-job limit will apply. That provision will, we expect, exempt completely over 90 per cent. of small firms from the limit. But in the case of a small capital-intensive firm, there is that cut-off point above which the limit will apply.

As in the case of job grant, the grant-per-job limit will be applied to net new jobs created by the project. It will be our policy in currently forseeable circumstances not to approve projects undertaken by large undertakings which do not create jobs. However, there may in future be circumstances where such projects might be approved. I do not know what they might be, but if they arise we have provided in the order for a maximum grant of £500 to be payable on the project. Without that provision we should be required to pay grant at 15 per cent. on all capital expenditure under such projects with no limit. That, in our opinion, is a reasonable sum when viewed in the light of the stated policy—no jobs, no grant.

It is the Government's view that the rates of grant, together with the limit specified in the order, provide a sufficient incentive for both capital-intensive and labour-intensive projects, and that the scheme will retain a high degree of predictability. And of course regional development grant will continue to be automatically payable.

At the same time, the Government believe that they have curbed the worst excesses of previous policies. We hope that the result will be a system of grant which will be cost-effective and will free resources which can be used for the benefit of the country as a whole. I commend the order to the House.

11.49 pm

Mr. Geoffrey Robinson (Coventry, North-West): I apologise to the Minister for being a few seconds late. I should point out to the House that the reason was the lack of response on the television monitor.

Mr. Nicholas Soames (Crawley): That is no excuse.

Mr. Robinson: I was looking closely at the monitor and I do not understand the reason, but perhaps it could be brought to the attention of those in charge of the electronics of the building. It was still showing a Division several minutes, I understand, after the Minister had started his speech.

We are discussing three items—I am sure that the Minister will not mind me saying this — that we discussed at great length in Committee and at other stages of the Bill that will impose upon British regional policy an immensely tight corset of restrictions and limitations that we need not assume. I hope that the Minister will be frank and come clean with us on that.

The 15 per cent. prescribed percentage, which is the new level of RDG that is down from 22 per cent. under the Common Market regime to which—the Minister has been clear about this — he has made our policy subservient. Under that regime the prescribed percentage of RDG can go from 25 to 35 per cent. for assisted areas. Clarification and confirmation of that point from the Minister would be of interest to the House and would show just how tight the regime is that he is imposing on us tonight.

The Minister will agree that there is no requirement in the EC regulations for a cost per job limit to be imposed. The £10,000 limit is too low. On reflection, the hon. Gentleman may agree with me and increase it. He said that it allowed for anything up to £65,000 capital investment per person to qualify. What is the average for our major competitors in the Common Market of capital employed per employee in manufacturing industry, because that is what we are talking about and we must reach their levels if we are to be competitive?

We have had too many arguments about restrictive practices and strikes and the rest, but setting aside those matters, about which the Government make so much play, capital employed per employee in British manufacturing industry today is way below the level of our major competitors in the EC, let alone in Japan.

When the Minister translates the £10,000 cost per job limit into the total amount available for investment per employee—per new job created—he will agree that it is an extremely low level. Indeed, it is almost an incentive to create low capital-intensity jobs, in itself part of the Government's plan. Be that as it may, this will not be an incentive towards the major capital investment that we need in many of our industries if we are to become and remain competitive.

The prescribed amount for job grant, at £3,000, is extremely low. I am sure that all Opposition Members would agree with that.

Mr. Soames: Where are they?

Mr. Robinson: The hon. Member for Crawley (Mr. Soames) is making sedentary interventions. I have not seen him in his place throughout tonight's debate. I am putting a few points succinctly to the Minister and I hope that they will be equally succinctly answered. We will do that much better without the hon. Gentleman's sedentary interruptions.

The £3,000—the job grant, to put it bluntly—is about 10 per cent. below the Common Market limit. I see no reason for that. We might as well use what flexibility exists within the Community regulations. I recall, during the Committee proceedings, reading a Community document which said that the EEC was reviewing the present limit of 5,500 ecus. When does the Minister expect the Community to take a firm decision on that, and does he know what level the ERDF officials have in mind for the job grant?

I have on many occasions raised with the Minister the question of the elimination of modernisation and replacement schemes, remembering that we seem to be one of the few countries that has yielded on the question of non-job-creating modernisation schemes, something that we shall bitterly regret.

[Mr. Robinson]

My hon. Friend the Member for Stalybridge and Hyde (Mr. Pendry) has raised with me a matter concerning the Tameside metropolitan borough. It is dealt with in a letter from the chief executive of that borough. The Minister will be aware that under the new regime that he has introduced, the Tameside metropolitan borough in its entirety has, for the first time, been brought into intermediate area status.

I will not read the letter but will pass it to the Minister, who I hope will bring it to the attention of the Secretary of State for the Environment. The chief executive refers to the restrictions that are now being made on capital spend, and this is not by any means a profligate authority.

This has nothing to do with savings or current expenditure but simply with cutting back on the capital spend of the borough, on the infrastructure of local government. The letter points out that the borough is being given access to the ERDF yet is unable to avail itself of the benefits of the fund. We have supported the Minister's efforts to get as many ecus as we can. That was the whole purpose of redrawing the map. Yet these constraints may make it impossible for us actually to take up anything like our full entitlement of ERDF funds.

It is vital that we clarify this as quickly as possible. As the Minister knows, 80 or 90 per cent. of the ERDF money last year was taken up by public authorities and local government. If those bodies which suddenly qualify for it cannot take it up, the whole purpose of extending the map to get at the El Dorado of Community funds will be frustrated. I have asked for straight answers to many of these questions many times before, put that point is a new one. I draw the Minister's attention to it at this early stage and make it clear that we intend to monitor the situation very carefully.

11.56 pm

Mr. Ian Wrigglesworth (Stockton, South): The Government claim that their new regional policy offers much better value for money. Towards the end of last year the Minister said that it would not be so easy to dig into the gold mine as some companies had found it in the past, and the order seeks to ensure that. The prescribed percentages, limits and amounts are one of the main instruments to achieve tighter restriction of the system and a reduction in the amount of regional aid paid out. In fact, however, the so-called gold mine had been rapidly run down under the old system.

In real terms, regional expenditure fell from £1·5 billion in 1975-76 to £917 million in 1982-83. In cash terms, the new scheme will reduce the total from £670 million in 1984-85 to about £400 million in 1986-87. In my region, the total fell from a peak of £483 million in 1976-77 to £109 million in 1982-83. Under the Government's scheme, the regional figure was halved in real terms between 1979-80 and 1982-83.

The ending of the 22 per cent. grant and the introduction of a uniform 15 per cent. grant for the development areas will be the Government's bluntest instrument for reducing regional expenditure. Why 15 per cent? We have listened to the Minister and read what he has said, but the reduction from 22 per cent. to 15 per cent. appears somewhat arbitrary and designed simply to achieve a cut in regional aid. I hope that the Minister will tell us today how he believes that that figure can be justified.

The Government have indicated that the overall balance between automatic grants and selective assistance will shift significantly towards selective assistance. One hopes that that means that major industrial developments, which are of great benefit to the country as a whole as well as to the regions, will still obtain aid from the Department of Industry and that they will be encouraged to develop in the regions, as so many of them have done in the past. It means that companies will receive severely reduced automatic aid and that they will have to press for additional support which will be at the Government's discretion. Both the CBI and others have argued that the shift towards discretionary aid, accompanied by bureaucratic delays, may deter both new and small existing businesses from moving to the regions.

The Minister says in a press release that

"the changes . . . will save a great deal of Government money which was doing virtually nothing to bring new jobs to the assisted areas."

In my own constituency there has been a substantial amount of regional aid for heavy industry. Bearing in mind the 20 per cent. level of unemployment there and the high level of unemployment that has persisted over a very long time, thank goodness that at least capital-intensive industries have been encouraged to come to the Teesside area—for example, ICI, Monsanto, British Steel and a whole series of petrochemical, oil and heavy engineering industries—which probably would not have come had it not been for the old grant system. Although in terms of capital and numbers employed that may not be a favourable balance in the eyes of the Minister, at least they are providing jobs in an area that desperately needs them. I hope that that will not be forgotten by the House when considering the order.

The argument that the old grant system did not help the regions has been proved to be without foundation. Studies show quite clearly that regional policy has had a substantial impact upon industrial location since the early 1960s, diverting about 250,000 jobs to the assisted areas, of which roughly 185,000 went to the four development areas. There is considerable evidence that although certain regions have not shown an improvement when compared with the more prosperous regions, those regions were nevertheless helped to keep up and not drop behind, as has happened in recent years.

The order sets a cost per job limit on regional development grants of £10,000 for capital expenditure and a £3,000 job grant as an alternative. Firms will automatically receive the greater of those two figures. The Government may be right to argue that the cost to the taxpayer of job creation under the old system—£35,000 to £40,000 per job—was too high, but in our view the new ceiling is too restrictive. It might have been acceptable if the savings produced by these limits could be used to finance other support for job creation in the regions—for instance, employment grants to encourage additional, highly qualified manpower to move to assisted areas, or some of the other suggestions that have been made about helping development in the regions. There should be increased sources of finance—for example, an industrial credit scheme and small firm investment companies, to channel preferential finance. Those schemes ought to have a regional dimension, which we believe should be funded by central Government. If some of the savings that the new scheme will bring about had been diverted in that way to small firm investment

companies or to enterprise agencies and co-operative development agencies in the development areas to help them to pump-prime new enterprises, some of the objections on the Opposition side of the House to the cuts would have been less vociferous.

The difference in the treatment of capital grants for projects that do not provide jobs seems quite arbitrary. It would be helpful if the Minister could explain why they were fixed in the way that they have been. Firms employing fewer than 200 employees have a limit of £75,000, or 15 per cent. of the capital expenditure of some £500,000. For larger undertakings the figure is a derisory £500, which the Minister mentioned when he opened the debate, or 15 per cent. of £3,333.

I take those figures from the report of the Joint Committee on Statutory Instruments, which, as the House will have seen, comments adversely on that rather farcical anomaly. It said:

"It seems surprising to the Committee that the Department contemplates a significant number of applications, if indeed any at all, where the expenditure involved in the project is so trifling a sum . . . it seems to the Committee that in the case of large undertakings section 4(1)*(b)* seems unlikely to operate so as to provide grant on a basis related to the expenditure on assets."

The Minister will have seen that report and I hope that he will respond to that criticism because the Department seems to have adopted the expedient as an alternative to a zero limit, which they have no power to set. I should be grateful if the Minister would respond to the criticisms and explain that further to the House. It is clearly a serious criticism.

We are opposed to the arbitrary and blunt instruments laid down in the order, largely with the objective of reducing public expenditure, not of helping the regions. Indeed, it has been done at their expense. I agree with the remarks of the hon. Member for Cornwall, South-East (Mr. Hicks) and others that this is one of the most blatant pursuits of divisive policies that the Government could pursue. It is dividing the nation further and for that reason we shall oppose the order tonight.

12.7 am

Mr. Norman Lamont: First, let me answer the questions asked by the hon. Member for Coventry, North-West (Mr. Robinson), at least one of which I had dealt with before he came into the Chamber.

The EC limit on grants for capital expenditure is 30 per cent., as the hon. Gentleman may recall from Committee. There is an alternative of a job grant and when companies choose that alternative that cannot come to more than 40 per cent. of the capital expenditure when it is in the manufacturing sector. The hon. Gentleman will recall that that was spelt out in some considerable detail in Committee. The EC capital limit is 30 per cent.

The limit on the job grant is £3,150 translated from ecus. We fixed a limit of £3,000 merely to allow some headroom for fluctuations in the exchange rate. We do not wish to be pushed up against the limit because of movements in the exchange rate. We are not far from it.

We have no information that the job grant is being reviewed by the Commission. I do not think that that would come under regional policy or the European regional development fund because those limits apply not just to regional policy but to state aid. So it is more a matter for the competition directorate.

We are all familiar with figures which demonstrate a high degree of capital behind each worker in a number of competitor countries. I made the point that the £10,000 cost per job limit would support in total, when distinguishing between the cost to the Government and to the firm of the investment and then adding them, some £65,000—which is double the average capital intensity in British industry. We do not want to choose some degree of capital intensity that exists in some other country. I am talking, in relation to United Kingdom manufacturing industry, about doubling the average and, as we have said again and again, we are concerned to have a system that is more neutral between subsidising capital and labour.

The hon. Member for Coventry, North-West referred to replacement, but that is not in the order, although it is in the legislation. I shall take up with my right hon. Friend the Secretary of State for the Environment the point that he made about controls and capital expenditure.

The hon. Member for Stockton, South (Mr. Wrigglesworth) raised some other points. The choice between 22 per cent. and 15 per cent. is a matter of judgment, and, as I explained, it was our judgment that 15 per cent. would be a sufficient incentive to influence investment intentions. As the hon. Member knows, we have selective assistance available on top of that for inward investment. The hon. Gentleman's second point was about whether selective assistance would still be available to help with more capital-intensive projects that we thought were desirable. I accept that, for industrial and economic reasons, if not for employment reasons, many of the things that have happened in his part of the world are desirable, and they are projects to which we would consider giving help. The purpose of the changes that we have made is to enable us to have that choice and to exercise that judgment.

The hon. Member for Stockton, South compared the £10,000 cost per job with the £35,000 that was the figure given in our consultative document published at the time of the review as being the cost of the net new jobs in assisted areas that regional policy had created in the past. The two figures are not directly comparable. The £35,000 per net new job—a figure that we wish to lower—is the cost of all the instruments of regional policy, whereas the £10,000 applies only to regional development grants. There are other differences that work both ways, including the way in which job displacement affects our calculations. Perhaps the hon. Gentleman will accept my assurance that the two are not comparable.

The hon. Gentleman referred to comments made by the Joint Committee on Statutory Instruments about the limiting of capital grant to £500 in the case of projects of large undertakings that provide no jobs. The provision is in article 5(1)*(a)*(ii). The Committee has done this on the ground that section 4(1)*(b)* of the amended 1982 Act, which deals with projects that involve capital expenditure only,

"seems unlikely to operate so as to provide grant on a basis related to the expenditure on assets."

As the Committee pointed out in its report, in cases where expenditure on assets is less than £3,333, approved projects will receive grant on a basis which is related to the amount of capital expenditure. I have told the House on many occasions that our general policy is not to approve projects of large undertakings that will not create jobs, although any projects of this kind for which application is made will be considered on their merits. As regards projects that are approved, there will be a direct relationship with the amount of expenditure involved.

[Mr. Norman Lamont]

As regards projects where expenditure exceeds £3,333, it is true that there will be no such direct relationship. However, I do not accept—and I have firm legal advice on this point—that either the Act as a whole or the enabling power in section 5(1)*(d)* imports any requirement that the prescribed limit—£500 in this case—should result in the amount of grant payable in any particular circumstances being on a basis that is proportional to the expenditure on assets. The provision in article 5(1)*(a)*(ii) is therefore, in my view, intra vires the Act. I am confident of that. I reject the Committee's contention that there is doubt about the vires of the provision, and I commend the order to the House.

Question put:—

The House divided: Ayes 134, Noes 73.

Division No. 72] **[12.14 am**

AYES

Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Biffen, Rt Hon John
Boscawen, Hon Robert
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Burt, Alistair
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Clark, Dr Michael *(Rochford)*
Conway, Derek
Cope, John
Currie, Mrs Edwina
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Forsyth, Michael *(Stirling)*
Forth, Eric
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gow, Ian
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Hanley, Jeremy
Hargreaves, Kenneth
Hawkins, C. *(High Peak)*
Hawksley, Warren
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Johnson Smith, Sir Geoffrey
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lightbown, David
Lord, Michael
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, John
Maclean, David John
Major, John
Malins, Humfrey
Malone, Gerald
Marlow, Antony
Mather, Carol
Maude, Hon Francis
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(NW Hants)*
Montgomery, Sir Fergus
Moore, John
Moynihan, Hon C.
Needham, Richard
Neubert, Michael
Newton, Tony
Norris, Steven
Osborn, Sir John
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Proctor, K. Harvey
Raffan, Keith
Raison, Rt Hon Timothy
Rhys Williams, Sir Brandon
Roe, Mrs Marion
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spencer, Derek
Squire, Robin
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(N Hertf'dshire)*
Sumberg, David
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Trippier, David
Twinn, Dr Ian
Waddington, David
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Peter Lloyd and
Mr. Archie Hamilton.

NOES

Ashdown, Paddy
Banks, Tony *(Newham NW)*
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Boyes, Roland
Bruce, Malcolm
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Clarke, Thomas
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cowans, Harry
Craigen, J. M.
Cunliffe, Lawrence
Cunningham, Dr John
Davies, Ronald *(Caerphilly)*
Dormand, Jack
Dunwoody, Hon Mrs G.
Ellis, Raymond
Evans, John *(St. Helens N)*
Fatchett, Derek
Fisher, Mark
Godman, Dr Norman
Harrison, Rt Hon Walter
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Simon *(Southwark)*
Johnston, Russell
Kirkwood, Archy
Leadbitter, Ted
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
Maclennan, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Nellist, David
O'Neill, Martin
Owen, Rt Hon Dr David
Patchett, Terry
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Radice, Giles
Robinson, G. *(Coventry NW)*
Sheerman, Barry
Skinner, Dennis
Smith, Rt Hon J. *(M'kl'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Straw, Jack
Wigley, Dafydd
Wrigglesworth, Ian

Tellers for the Noes:
Mr. Don Dixon and
Mr. Frank Haynes.

Question accordingly agreed to.

Resolved,

That the Regional Development Grant (Prescribed Percentage, Amount and Limit) Order 1984 (S.I., 1984, No. 1843), dated 26th November 1984, a copy of which was laid before this House on 28th November, be approved.

Mr. John Bergelin

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Durant.*]

12.25 am

Mr. John Watts (Slough): I am glad to have this opportunity of raising the case of my constituent, Mr. John Bergelin, and the difficulties that he had in his dealings with the Department of Health and Social Security.

I am a new boy to the case, because its origins go back to 1980, when it was first taken up by the late Sir Ronald Bell. Upon his sad demise, it was then pursued vigorously by my hon. Friend the Member for Beaconsfield (Mr. Smith). It was as a result of boundary changes in June 1983 that I became involved.

The essence of the case is as follows. First, between June 1980 and April 1981, the DHSS wrongly refused to entertain a claim in respect of interest on a second mortgage that had been taken out to fund renovations to Mr. Bergelin's house. Secondly, the Department failed to make payments direct to the Leeds Permanent building society in respect of the principal mortgage on the property, despite its having been requested to do so by Mr. Bergelin. Thirdly, in consequence of the arrears that accrued on both mortgages, Mr. Bergelin was forced to sell his house in order to meet his commitments, and to make a quick sale at a price well below its proper market value. Fourthly, his creditworthiness was undermined as a result of the arrears that accrued from the Department's failure to pay him the allowances that were his due. As a consequence, he was unable to raise funds that he had intended to use to purchase a business.

The case was referred to the Parliamentary Commissioner for Administration by Sir Ronald Bell, but the Commissioner was unfortunately unable to find in Mr. Bergelin's favour. From my reading of his report, that was principally because Mr. Bergelin was unable to provide documentary proof of his instructions to the Department which he claims the Department failed to carry out. I raised the matter last year with my hon. Friend the Member for Brent, North (Dr. Boyson), the then Minister of State, who gave long and careful consideration to the case but was ultimately unable to take the matter any further, for reasons that I shall explain.

I have sought this further opportunity to give the case an airing because Mr. Bergelin does not feel that he has had justice, and I am not satisfied that the loss and distress that has been suffered by Mr. Bergelin and his family is not the result of maladministration, for which he is entitled to be compensated.

I shall go through the facts of the case in more detail. In 1977, Mr. and Mrs. Bergelin bought a house for £18,500 with a mortgage of £12,500 from the Leeds Permanent building society. In 1978, they took out a second mortgage from Armitage Securities Limited in order to finance substantial renovation works. Mr. Bergelin worked as a self-employed credit manager, and became involved with a vending machine company called Flic A Mint Limited in which he made a personal investment of £3,000. Subsequently he learnt of Fraud Squad investigations into the company's affairs. I stress that there was no suggestion of any investigation into Mr. Bergelin's part in the company.

As a result of the failure of the company, Mr. Bergelin lost his investment and about £7,000 which was due to him for work which he had done for the company. As a consequence of those problems, he ran into difficulties in meeting his mortgage commitments. In November 1979 he started work as credit manager for a company in Slough.

Sadly, arising from the strain of his financial problems and his continuing need to be involved in attempting to solve the problems of Flic A. Mint, coupled with the ill-health of his wife, which resulted in two major operations in 1980, Mr. Bergelin was unable to concentrate fully on his work, and in May 1980 he was asked to leave the company.

Before the loss of his employment, Mr. Bergelin advised both the Leeds building society and Armitage Securities of his financial difficulties. The Leeds building society accepted from him post-dated cheques to meet his commitment, but Armitage Securities was not prepared to do so. He therefore concluded that he could meet his obligations only by selling his house to raise the necessary funds.

In March 1980, Mr. Bergelin was offered £45,000 for his house, but unfortunately that sale fell through because of difficulties encountered by the would-be purchaser. Armitage Securities issued proceedings against him. In May 1980 the court adjourned the possession order for 60 days to allow him to complete a sale. At that stage he needed about £20,000 to clear his debts and intended to use the remaining £25,000 of sale proceeds to purchase a shop.

After Mr. Bergelin lost his job on 2 June 1980, he signed on at the Department of Employment. On 3 June 1980 he was interviewed by the Department of Health and Social Security office in Slough. He advised the interviewing officer of his mortgages, both that with the Leeds building society and the second with Armitage Securities. He was advised that the interest content of the Leeds mortgage could be paid by supplementary benefit but that the second mortgage was not eligible. He was asked to obtain from the Leeds building society confirmation of the amount outstanding, and of the interest rate applicable. He telephoned the building society and the following day received a letter with the details requested. The letter also advised him to consider whether to ask the DHSS to make payments direct to the building society. Accordingly, he forwarded the letter to the DHSS with the request that direct payments should be made to the society as suggested.

In November 1980 Mr. Bergelin received a summons from the Leeds building society for non-payment of his mortgage. That was the first intimation he received that the direct payments, which he had asked the DHSS to make, had not been made. Because of pressure from his major creditors and his need to sell his house to meet his obligations, he reduced his asking price from the £45,000 that he had hoped to obtain. In August he received an offer of £39,950, but to achieve a quicker sale he first reduced the selling price to £35,000 and finally accepted a cash offer of £30,000. That is well below the sums that he was previously offered. Contracts for the purchase were exchanged in February 1981.

By that stage Mr. Bergelin had commenced negotiations to buy a shop in Camberley and, because there were inadequate proceeds from the sale of the house, he arranged a loan with Charterhouse Securities. To save expense both to himself and, ironically as it seems to him now, to the DHSS, he decided that he and his family would camp in a tent on a campsite at Taplow until the purchase

[Mr. John Watts]

of the business was completed. Accommodation went with the business. All the family's possessions were placed in store in Camberley.

For reasons of time, I shall not go into detail about the disputes which arose with the DHSS over removal costs, storage charges and assistance with the costs of heating while the family was camping. Suffice it to say that the sad outcome was that, because Mr. Bergelin and his family did not receive what was their due—that was accepted subsequently by the Department—he was unable to pay the storage charges, because he used the funds available to him to buy bottled gas for heating. The storage company was not prepared to wait any longer, and his possessions were sold at auction. Meanwhile, the finance for the purchase of the business at Camberley was withdrawn because the finance company became aware of the arrears that had accrued to the Leeds building society and Armitage Securities.

Through that sorry sequence of events, Mr. Bergelin lost his home, the majority of his personal and household possessions, and any immediate prospect of being able to establish himself in business.

The DHSS disputes, first, that Mr. Bergelin ever requested direct payment of interest to the Leeds Permanent building society, and further disputes that he mentioned the existence of the second mortgage before March 1981, or that he was advised that a second mortgage was not eligible for assistance. When the Ombudsman considered the case, he could find no record in the papers of the Department of the request for direct payment, nor any mention of the second mortgage until March 1981. Therefore, in the absence of documentary evidence, the Ombudsman was unable to uphold Mr. Bergelin's claim. But the Ombudsman's report concluded:

"I cannot say with certainty that Mr. Bergelin did not mention the second mortgage to the local office before 31 March 1981."

The Ombudsman records that when Mr. Bergelin was interviewed he said that the instruction to the Department regarding direct payments was either written on the letter dated 3 June 1980 from the Leeds building society, or was contained in a covering letter. He is clear that he advised the Department of his wishes for direct payments to be made, and of the existence of his second mortgage obligation, at his first interview on 3 June 1980.

However, at the time of the Ombudsman's investigation, Mr. Bergelin did not recollect the precise method which he used to convey his wishes. Nor could he produce documentary evidence. Subsequently, he has confirmed that the method he employed was a covering letter, and he has produced to me a copy of the letter dated 4 June 1980 from him to the Department, which bears the Department of Health and Social Security date stamp of 5 June 1980, as does the letter from the Leeds building society that he forwarded to the Department.

Clearly we must consider whether this copy letter is genuine. I hope that I am not naive about such matters; when I discussed it with Mr. Bergelin, I asked him whether it could be a fabrication that he had produced subsequently to give credence to his case. But in reply, apart from giving me an absolute assurance that that was not the case, he made the valid point that if he was prepared to be dishonest and to manufacture documents to support his case, would it not have been in his interests to have done so at the time when the Ombudsman asked him to produce documentary evidence, rather than some considerable time later when he sought my assistance with his case?

Mr. Bergelin's letter to the Department reads as follows:

"Further to my interview of 3 June 1980 I enclose herewith the documents requested and would kindly ask that you make payment of my first mortgage direct to the Leeds Permanent Building Society as requested/suggested in their letter of 3 June 1980 in view of the arrears.

Regarding the second mortgage with Armitage Securities taken out for essential renovations and they are now pressing for payment. I was advised that you would not consider this matter. I enclose herewith the papers in respect of same, together with receipts for work carried out and as they are now taking legal action I would ask that you give this matter further consideration and advise me in due course."

It was the production to me of that copy letter that led me to write to my hon. Friend the Member for Brent, North (Dr. Boyson), who was then Minister of State, on 19 January 1984. I concluded my letter thus:

"It is my view that Mr. Bergelin has suffered injustice and financial loss. I consider the Ombudsman might have drawn a different conclusion if the additional information"—

by which I meant the letter—

"had been available for his consideration. . . . I would ask you to review this case carefully in the light of the additional information and to consider whether some recompense should be made."

My hon. Friend the Minister of State considered the case with the care that those who know him would expect of him. I had the opportunity to discuss the matter with him at some length. However, he felt unable to take it further in the absence of the original letter of 4 June 1980, either in Mr. Bergelin's records or in those of the Department. I understand my hon. Friend's reluctance to accept that the Department was at fault in the absence of totally conclusive evidence, but it seems that this places an impossible burden of proof upon my constituent, for there is no reason why he should have the original of a letter which he wrote to the Department. Such a letter would properly be in the records of the Department. Neither do I accept that the failure to find the letter in the Department's records provides any conclusive proof either that no such letter ever existed or that no such letter was received by the Department.

This is not to suggest that I suspect any overwhelming incompetence by the local DHSS office. Like other offices up and down the country, it is required to administer on behalf of many thousands of claimants an unwieldy and complex social security system, which, thankfully, we now have under review. It would be no surprise to me if on occasion mistakes are made or documents go astray.

In my dealings with the local office over the past 18 months I have been impressed by the readiness in many instances of that office to recognise when a mistake has been made and to provide a remedy. I like to think that I enjoy excellent co-operation with the manager and his staff in providing relief to many of my needy constituents.

The essence of my complaint is that in Mr. Bergelin's case the whole of the burden of proof is required to rest on him. He has not been given the benefit of reasonable doubt. There is no doubt that he has suffered great distress and financial loss. In my view, he has not received justice.

12.42 am

The Minister for Social Security (Mr. Tony Newton): My hon. Friend the Member for Slough (Mr. Watts) has indicated in his speech that this case has been

the subject of considerable and, indeed, anxious, consideration by successive Ministers in the DHSS. Of course, I have had an opportunity to study not only the papers concerning Mr. Bergelin's unfortunate circumstances but the correspondence that passed between my hon. Friend the Member for Brent, North (Dr. Boyson), my predecessor as Minister of State, and my hon. Friend as Mr. Bergelin's Member of Parliament.

I well understand the reasons why my hon. Friend has felt it right to bring this case before the House. Even though I am afraid I cannot be as encouraging as my hon. Friend would like, Mr. Bergelin has been fortunate in the vigour with which my hon. Friend and his predecessor as Mr. Bergelin's Member of Parliament have pursued this difficult case.

As my hon. Friend said, the circumstances of Mr. Bergelin's claim were also the subject of a thorough investigation by the Parliamentary Commissioner in October 1981. Again, I have read the report. It is from that point that I should start to explain the position as the Department sees it. The complaint made to the parliamentary commissioner was that,

"the local office in Slough refused to make Mr. Bergelin an allowance of Supplementary Benefit towards the repayment of a second mortgage on his house. As a result he had to sell the house at well below market value."

The complaint went on to say that Mr. Bergelin lost approximately £15,000 on the sale of his house, as my hon. Friend said, and incurred an additional expense of £7,000 in court costs. I acknowledge that those are not circumstances that any one could contemplate with equanimity. They would leave people feeling considerable sympathy for a person in the position in which Mr. Bergelin found himself.

As I understand it, and as my hon. Friend said, in 1977 Mr. Bergelin purchased a house in Slough with the assistance of a £12,500 mortgage. In November 1979 he took out a second mortgage. I understand that the purpose of the second mortgage was to make improvements to the house and, I am advised, in part to pay creditors of a company with which he was connected.

In June 1980, Mr. Bergelin became unemployed and made a claim for supplementary benefit. It is the normal practice of the Department where a mortgage or mortgages are declared to ask claimants to produce details of them, to enable their correct entitlement to benefit to be determined. There is common ground between myself and my hon. Friend about the fact that there is no record in my Department that Mr. Bergelin indicated either verbally or in writing at that time that he had more than one mortgage. Consequently, his benefit entitlement was calculated on the details he provided of the first mortgage and was paid on that basis.

The Department's submission to the parliamentary commissioner in connection with the investigation, stated:

"we can find nothing in our records to support Mr. Bergelin's allegation that he mentioned the second mortgage when he was seen on 3 June 1980 or 9 December 1980. Nor is there any evidence that he mentioned it in any of the several letters he sent to the Department during that time".

My Department's records show that the first time we were made aware of the second mortgage was 30 March 1981, at which point Mr. Bergelin's benefit was reassessed to take account of the additional commitment. I recognise that my hon. Friend has acknowledged this point, but I should like to place it firmly on the record that the full arrears of benefit amounting to £1,094·60 were paid on 27 April 1981.

The decision to pay the arrears in full was a decision by the independent adjudicating authorities and was based on the understanding that the second mortgage was solely for improvements to the house. To make the record absolutely clear, I must say that, had the adjudicating authorities been aware that part of the money was used to pay creditors of a business, their decision might have differed and a lower sum of arrears might have been paid. I do not wish to place a great deal of emphasis on that point. I wish simply to make it clear that, in terms of recompense for the arrears that were discovered, once the Department was clear that a second mortgage was involved, the decision and the Department's action following the decision of the independent adjudicating authorities would not be regarded as unfair or ungenerous.

Mr. Bergelin contends also that he requested my Department to pay that portion of his benefit attributable to his first mortgage direct to his building society. He claims that, as we did not do so, we contributed to his arrears of mortgage payments and ultimately to the financial problems that led him to sell his house at less than what he believes to be the market value.

As my hon. Friend rightly outlined, the points at issue seem to be as follows. First, did the Department fail to act on information provided by Mr. Bergelin about a second mortgage in June 1980? Secondly, did we fail to respond to his request to pay his first mortgage direct to the building society? Thirdly, did the late payment of benefit arrears on 27 April 1981 contribute to the financial difficulties that led him to sell his house? Fourthly could the Department be considered responsible for the price at which Mr. Bergelin sold his house?

On the first point, as I have said, the parliamentary commissioner conducted a full investigation and produced his report, a copy of which was sent to my hon. Friend's predecessor as his Member of Parliament on 30 December 1982. The commissioner found that there was no evidence to suggest that Mr. Bergelin had told the Department that he had a second mortgage and concluded that it would be unrealistic to expect the Department to ask prospective claimants such a specific question as second mortgages are not a common occurrence among supplementary benefit claimants.

On the second issue, the parliamentary commissioner found that, having kept full details of his mortgage, including details of substantial arrears, from his building society it was unwise of Mr. Bergelin to assume that his first mortgage was being paid direct without specifically checking the position with it.

My hon. Friend has drawn my attention to a copy of a letter which Mr. Bergelin says he sent to the Slough local office on 4 June 1980. I can only repeat that the Department has no record of receiving such a letter. Moreover, I must also observe that, although Mr. Bergelin communicated with the Slough local office on several occasions, there is no evidence that at any time did he ask why he had not received a reply to such a letter. In those circumstances, I feel I must refer my hon. Friend as he himself quoted it, to what my predecessor said in his letter to my hon. Friend on 16 May 1984. He said:

"In the absence of an original document, in Mr. Bergelin's records or ours, I do not feel able to take the matter any further".

[Mr. Tony Newton]

On the third point, it is clear that Mr. Bergelin's financial problems pre-dated his claim to supplementary benefit. Indeed, at the time of his claim in June 1980 Mr. Bergelin stated that it was his intention to sell his property because he was being pressed by his creditors. Therefore, although there was a delay in the payment of benefit in respect of the second mortgage, it cannot be said that that led to him selling the house.

The fourth question, of the market value of the house at the time of the sale, is something over which the Department could not have had any influence.

As I have said, I very much understand why my hon. Friend has raised this case and I have real and genuine sympathy with the extremely difficult financial position in which Mr. Bergelin found himself. But the fact remains that the case has been very thoroughly investigated by the parliamentary commissioner, who concluded that there was no evidence of maladministration on the part of the Department and it is, I think, common ground that in terms of payment of benefit Mr. Bergelin has been paid his full entitlement.

I have listened very carefully to what my hon. Friend has said, including what he said about the letter of which, indeed, he had sent my predecessor a copy, but I think I must say, in order to avoid building up false hopes, that I cannot realistically hold out the prospect of being able to go beyond what my hon. Friend the then Minister of State wrote to my hon. Friend. In that sense, I feel that I cannot this evening add further to what has been said before.

Question put and agreed to.

Adjourned accordingly at seven minutes to One o'clock.

House of Commons

Friday 18 January 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITIONS

Human Embryos

9.35 am

Mr. Austin Mitchell (Great Grimsby): I beg to ask leave to present a petition about the protection of the human embryo arising from the report of the Warnock committee. It reads:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled:

The Humble Petition of the residents of the constituency of Great Grimsby showeth that we affirm that the newly-fertilised human embryo is a real, living individual human being;

Therefore we welcome the statement in the Report of the Committee of Inquiry into Human Fertilisation and Embryology (The Warnock Report) that "the status of the embryo is a matter of fundamental principle which should be enshrined in legislation", and its recommendation that the embryo of the human species should be afforded protection in law;

And therefore we oppose all such practices as are recommended in the report which discriminate against the embryo or violate his/her human dignity and right to life.

Wherefore your petitioners pray that the House of Commons will take immediate steps to enact legislation which forbids any proceedure that involves purchase or sale of human embryos, the discarding of human embryos, their use as sources of transplant tissue or as subjects for research or experiment (unless this is done solely for the benefit of the embryo concerned).

And your Petitioners, as in duty bound, will ever pray etc.

The petition is signed by Father John Maloney of St. Pius Church, Chelmsford avenue, Grimsby. Associated with it are 452 petitioners. It expresses a widespread concern and touches upon a fundamental moral problem. It is worthy of the deepest, most serious consideration by this honourable House. I have the honour to present the petition on behalf of my constituents.

To lie upon the Table.

Supplementary Benefit (Heating Addition)

9.36 am

Mr. Austin Mitchell (Great Grimsby): I have the honour to present a second petition from my constituents on a different matter. It concerns the changes in the available scale margin from November which lead to the deduction of £1 from the heating addition paid to claimants on the long-term rate of supplementary benefit.

The petition reads:

To the Honourable The House of Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled:

The Humble Petition of the residents of the constituency of Great Grimsby sheweth that we affirm that society has a responsibility to look after its old people, to treat them as generously as the community which they have served can afford and to make special provision for their health and welfare.

To this end Parliament has decided that those pensioners, in special need, should be paid a special allowance known as the heating addition to help with the heavy and increasing costs of heating their homes.

This is provided because heating is a disproportionately heavy cost for those on small budgets; costs of all kinds of fuel have risen faster than the cost of living and older people have a special need to keep warm through the winter to avoid the dangers of hypothermia.

Nevertheless, the Secretary of State for Health and Social Security has decided in regulations announced in June and coming into force in November to deduct £1 from the heating allowance payable to those in special need. This places an unfair and unreasonable burden on those who need help most and frustrates the intention of Parliament in providing a heating allowance which, to be effective, must be geared to the cost of heating.

Wherefore your petitioners pray that the House of Commons will take immediate steps to end these grievous and unfair deductions.

And your Petitioners, as in duty bound, will every pray etc.

The petition is signed by Mr. W. Walker of 5 Rowan drive — a pensioner who organised and prepared the petition and collected 3,922 signatures. The scale of that effort and the number of signatures clearly represents a widespread concern. It behoves the House of Commons and the Government to listen seriously to Mr. Walker and to those who have expressed their support. I have the honour to present this petition on behalf of my constituents.

To lie upon the Table.

CONTINGENCIES FUND, 1983-84

Ordered,

That there be laid before this House Accounts of the Contingencies Fund, 1983-84, showing:—

(1) the Receipts and Payments in connection with the Fund in the year ended the 31st day of March 1984;

(2) the Distribution of the Capital of the Fund at the commencement and close of the year; with the Report of the Comptroller and Auditor General thereon.—*[Mr. Boscawen.]*

Orders of the Day

Intoxicating Substances (Supply) Bill

Order for Second Reading read.

9.38 am

Mr. Neville Trotter (Tynemouth): I beg to move, That the Bill be now read a Second time.

I am of course delighted to have come first of the 346 hon. Members who took part in the ballot. Of the 20 who were successful this year, three were accountants. Perhaps accountants are particlarly good at choosing numbers.

This is the fourth time that I have been successful in the ballot during the past eight years, and I look forward to being successful a further four times during the next eight years. One cannot expect to come top each time, so I must seek to use this unique opportunity to close what I believe to be a glaring loophole in the law. Those who deliberately supply toxic substances to young people for inhalation presently commit no offence. That loophole needs to be closed during this Session of Parliament.

I thank my hon. Friend the Under-Secretary of State for the great assistance that he and his Department have given in the technical drafting of the Bill. Its title might suggest that it deals with the subject of drink. I wish to make it absolutely clear that we are, in fact, talking about what is generally known as glue sniffing, but more accurately as solvent abuse. Three-quarters of the tragic deaths that are known to be due to solvent abuse are caused by solvents other than glue.

I shall refer to the practice simply as sniffing. It is a widespread problem among children that is causing great concern throughout the country. The fact that it is an international problem, to be found throughout western Europe, north America, south America, Africa and in the East, is no consolation to Britain. For a time, it was hoped that it would be a passing phase but, sadly , there is no sign that that will happen.

It is appropriate to reflect on why children take part in such a dangerous and unpleasant practice. I am sure that in most cases the adolescent urge to experiment is the main reason. There is a great deal of evidence to show that there is pressure on school children from their peers to take part in the activity.

I suspect that many more children sniff on an infrequent basis than is sometimes supposed. Fortunately, in most cases they soon stop and they may sniff on only one occasion. One imagines that boredom and the lack of opportunities for worthwhile activities are factors that can lead a child to try sniffing. There is also no doubt that problems within families or at school lead to many of the most serious cases of abuse — either as a form of escapism or as a revolt against authority. It is these young people with other problems who most often become hardened sniffers. A small number of cases involve people who suffer from psychological disorders.

We can distinguish between the much more numerous experimenters and the relatively few, but tragic, chronic cases of people who are dependent or compulsory sniffers. The danger of sniffing obviously increases with the frequency, but so powerful are some of the substances that one short sniffing session can, and sometimes does, kill. That applies especially to the highly dangerous use of aerosols.

There are various reasons why sniffing can be lethal. First, there is the direct action of a substance that is a poison. This can cause an immediate heart attack or choking because the airways and lungs have been blocked by the effects of an aerosol spray on tissues. I understand that there have even been cases of children setting off fire extinguishers into their throats. The use of aerosols has become a distressingly frequent practice that can cause death very quickly — it takes seconds rather than minutes.

Secondly, there is consequential death caused either by choking on vomit caused by fumes or from suffocating when a large plastic bag has been placed over the head.

Thirdly, fatal accidents occur because the faculties of the child have been impaired by sniffing. That can take the form of hallucinations. I understand that people sniffing certain types of solvent believe that they can fly and have attempted to do so by stepping off high places. Of course, there is also the simple effect of intoxication as though the person were drunk. It is often when suffering from hallucinations or intoxication that tragic accidents have led to death.

Unfortunately, a feature of solvents is the speed with which they act, which is much faster than drink. That makes them potentially very deadly. With drink, it takes 20 to 30 minutes for the intoxicant to be absorbed in the digestive system, but solvents inhaled through the lungs go straight to the heart and on to the brain and can act in seconds so that the sniffer can be unconscious within two minutes.

There have been numerous tragic deaths in my area. A young girl in my constituency suffering from either hallucinations or intoxication fell to her death off the cliffs at Tynemouth. Shortly afterwards, a boy in Newcastle was killed when he fell off a high wall. The local media on Tyneside often give examples of the tragic deaths of sniffers and no doubt this applies equally in other parts of the country. I know of a case of a boy who jumped into the river Tyne at Hexham although he could not swim, and he simply vanished under the water. There are many cases of children being found unconscious or dead in hiding places in the woods or semi-derelict buildings. One particularly horrendous case on Tyneside last year resulted in one teenager being killed and six others being badly burned when the car in which they were sniffing butane gas blew up.

I wish to pay tribute to the campaign which the *Evening Chronicle* on Tyneside has been running for some considerable time in an attempt to draw the attention of parents and children to the dangers of sniffing. The more attention that can be givn to the danger, the better.

A few weeks ago there was another death on Tyneside involving a 15-year-old girl. In the words of the boy she was with at the time, "She had not sniffed very much, she just began to stagger, put her hands to her head, fell over and then she was dead." That is an example of how speedily disaster can strike.

There is a tragic loss of young life at the rate of one or more a week, and that must cause us great concern. However, another factor is not just the harm that the sniffer does to himself, but the way in which they can become public menaces. We constantly hear of examples of young people who have become violent after sniffing. They start fires, they terrorise passers-by, and they attack people. Unfortunately, stabbing has become one of the features of

many attacks. A boy in the north-east who was train-spotting was stabbed by somebody who had been sniffing. Fortunately, he was not killed. A recent tragedy in the south involved the stabbing to death of two people by someone who had apparently been sniffing.

Of course, if a crime of violence is committed as a result of sniffing, the normal criminal law would apply. However, there is no Act of Parliament that covers a crime directly connected with sniffing. It is sometimes suggested that sniffing itself should be made a crime. The unanimous opinion of all those involved in handling the problem day by day to whom I have talked is that that would be a mistake. It would make sniffing more secretive, it would be harder to trace the sniffers and harder to treat them. There would be a risk that young people would be led into criminal associations and that they would be alienated over what is basically foolish behaviour—something out of which they grow in most in cases. It could create a disincentive to parents to seek help when it is most needed.

Education and counselling are generally agreed to be the right measures rather than seeking to make sniffers into criminals. There is no doubt that the education of young people about the dangers of sniffing is the best prevention possible. I believe that education on the subject should be a matter of concern in every school. I do not believe that that is necessarily the case now. There are schools and teachers who take the line that sniffing cannot happen in their schools or in their class. They are unwise to make that assumption. The presentation of the danger to children needs to be very carefully handled. I praise the BBC schools service which has made an excellent film called "Not to be sniffed at." It was shown in November 1984. I would suggest to headmasters that they should obtain a copy of the film in video form. It ought, I believe, to be shown to the pupils in every school.

Parents have a very important role to play in educating their children. Parents themselves also need to be educated about the problem. They have to be told how to recognise the signs of sniffing. They have to realise that far more than glue is involved in sniffing and that many household commodities can be used. In particular, there is great danger from aerosols, and this problem ought to be brought home to parents. They should make sure that their children are advised of the dangers of this dreadful practice. It is most important that parents be told where to go for counselling when they realise that their child has a problem. I repeat that to make sniffing a crime would very much complicate the handling of the problem.

Much has been done recently in local communities to tackle the problem. Tyneside is a good example. There has been complete recognition of the serious nature of the problem and co-ordination of action between all those involved—social services, the educaion service, health education, nursing, psychologists, the university and the police force. I should like to deal with the role of the police.

In 1984 I was fortunate in the ballot but unfortunate in that my Bill made no progress. The Bill sought to give clear power, by statute, to the police to take sniffers into custody for their own safety—not to charge them with a crime but to ensure that appropriate help was given to them. The Home Office felt that adequate power already existed, although doubts were expressed to me by the Justices Clerks Society. The discussion which followed led to an advisory circular being sent out by the Home Office to all chief constables. I have seen the force instructions issued by the Northumbria police in the light of that circular. Those instructions are clear, sensible and, most important, seem to work well in practice, although the Justices Clerks Society still has some doubts about the basis of the system. The bobby on the beat has an important role to play in identifying sniffers and seeing that action is taken to help them. The police are, in fact, quietly coping with the problem.

Earlier this week I visited a clinic at Newcastle university which has been run for some years by Mr. Dennis O'Connor who is doing sterling work on Tyneside with those who are suffering from the severe problems caused by sniffing. I was very pleased to hear from Mr. O'Connor that, in his view, the police go out of their way to help and are most caring.

I am pleased to be able to tell the House of a happier story that I heard while at Mr. O'Connor's clinic. A young man, whom I call George for the purpose of today's debate, told me that he had been sniffing a litre of glue a day. I find it hard to comprehend how people can sniff that quantity of glue, but he told me that he had been sniffing for 13 hours a day and that it was a full-time occupation for him.

The way that he started to sniff was partiularly tragic. Although he had been sniffing for years, he had not always sniffed. But he has a young friend who sniffed and one day George said to him, "You ought to stop that; it is a silly practice." George's friend said, "Have you tried it?" George said, "No, I have not." His friend said, "You try it, if you have three sniffs and can stop I shall stop, too." The result was that George became a regular sniffer and went on eventually to sniff a litre a day. I am happy to say that after seven weeks of counselling at Mr. O'Connor's clinic he has stopped the habit and has been saved. There are happy stories to be told, but only as the result of a very great deal of skilled counselling of these young people.

Another suggestion is that the law should require an additive to be put into solvents to prevent sniffing. However, there is an enormous number of substances and products which can be and which are sniffed. It is probably not in the public interest to list all of them. However, it is well known that all aerosols can be dangerous. I believe that the use of aerosols is known as "gassing". It is a particularly dangerous form of sniffing. Sniffing is not necessarily done through the nose. It is done by inhaling though the throat and this can be particulaly dangerous. As I mentioned earlier, fire extinguishers are sometimes used. Polish is used, as are marker pens and petrol. The latest craze in some parts of the country is the use of cycle repair outfit glue. In Newcastle I am told that paint is chipped off wood, heated and sniffed. Therefore, the problem of trying to control the supply or to add substances which would make the solvent repellent is very great. The products are generally cheap and readily available. They are not expensive or obvious, like alcohol or tobacco. They are to be found around the home. It is not possible to add an unpleasant additive to all of those substances. It would be impracticable, for example, to give an evil smell to ladies' hair spray.

Sir Geoffrey Finsberg (Hampstead and Highgate): Would not my hon. Friend agree that additives were tried in the United States but that they have now been dropped because they cause cancer?

Mr. Trotter: My hon. Friend is absolutely right. They proved to be more dangerous to those who used the product for its original purpose.

Mr. Harry Greenway (Ealing, North): Would not my hon. Friend accept that the additives used in the United States were noxious but that additives do not need to be noxious? More research could produce a suitable additive.

Mr. Trotter: I understand that to be effective the additive has to be repellent. It would have to repel the person who wanted to sniff the substance. If it repelled the person who wanted to sniff it, the additive would also repel the normal user of the product. I have already quoted the example of ladies' hair sprays. It is therefore a very difficult problem to deal with. The problems are increased by the fact that the substances involved are not expensive. They are everyday articles which have quite proper uses in the home.

It has also been suggested that the law should be changed to ban the sale of all solvents to young people. However, there are far too many items for this to be practicable. In general, I believe that it is right to seek the informed co-operation of retailers and to help them to use their own judgment in order to prevent sniffers getting at their addiction. I stress the word "informed". Even more could be done to make shopkeepers aware that it is not just glue which can be used for this practice. So many other substances can be used—in particular, aerosols. A very great deal is being done in order to inform shopkeepers but we must not let up on the efforts that are being made.

It is, however, clear that a loophole exists in the law in that the blatant supply for gain of glue or other substances to young sniffers is not a crime. This is a shocking activity, which society absolutely abhors. I believe that it should clearly be treated as a crime. I mention glue here specifically because it seems that those who deliberately seek to profit from this evil traffic have the habit of selling glue sniffing kits in what are cruelly described as "happy bags". I stress, however, that the Bill applies to all sniffable substances and not just to glue. Again I stress that it applies to those substances that are being supplied for gain.

Substances are supplied not just for money; it is conceivable that they are supplied for considerations other than money. An example is the exchange of substances for stolen goods. It seems that Fagins could be operating in that area.

The Bill provides for prison sentences of up to six months and/or fines of up to £2,000. Such punishment enables cases to be brought in the local magistrates' courts. The House might feel that the prison sentence available to the courts should be longer. I put it at what I thought was the minimum initial sentence. It can be considered further in Committee, and the House might want to debate it today.

In Scotland, as the House will be aware, there is a separate common law with no English equivalent. There was much publicity about a case two years ago when under Scots common law two brothers in Glasgow were sent to gaol for two years for this infamous activity. They sold crisp packets containing glue for 30p a time to casual sniffers and they sold chronic sniffers two pints at a time for a fiver. The police found gallons of glue in their shop. I stress that we are not talking about normal, responsible shopkeepers. We are talking about a relatively small number of men, but each of them is capable of doing a great deal of harm to young people.

Normal shopkeepers are horrified at any suggestion that sniffers are obtaining supplies from them, but deliberate suppliers are without conscience. Until that case was brought under the peculiar Scots common law, it was generally thought that no crime was being committed in Scotland either. On that basis the police had previously been to see the people running the shop concerned and suggested that while glue sniffing might not be illegal, the shopkeepers should co-operate with the authorities because of the harm being done to children. However, the response was that the law was not being broken, and they would not co-operate. We cannot assume that people engaged in this disgraceful activity will behave reasonably.

A clear statement of the offence in the Act when, as I hope, it is passed, will I believe serve as an effective deterrent. The police know the culprits in the corner shops where that trade is being done. A reminder of the new law by the police and the fear of gaol should stop them. Some people may seek to continue to trade. We are talking of evil men selling poison, cynically trading in the suicidal weakness of children. The law of England should provide that those people go to gaol. The Bill seeks to close a glaring loophole in our current law and to enable justice to be done. I commend it to the House.

10.2 am

Mr. Ron Lewis (Carlisle): I congratulate the hon. Member for Tynemouth (Mr. Trotter) on his initiative in introducing the Bill, because he was the first out of the hat. In the early 1970s, I was sixth in the ballot. At that time, as now, several outside organisations wrote to Members of Parliament who were successful in ballots asking them to sponsor certain Bills. I can understand the hon. Gentleman's desire to try to do something about the problem with which he is confronted in his constituency. It also affects the north-east, and spreads right across the country to the far north-west, one of the areas of which I have the privilege to represent. I congratulate the hon. Gentleman on introducing what I would call a modest measure in an attempt to help to solve a problem which confronts the whole country.

I hope that the House will forgive me if I am parochial in considering the problem in my part of the country. A few years ago, I tabled several questions to the Home Office concerning glue sniffing, because the problem was on the increase in my area, and two or three people there lost their lives as a result of glue sniffing. The problem became so serious that the Cumbria evening newspapers carried out an excellent campaign in an attempt to focus attention on it, and they asked that tangible help should be given by parliament. Radio Carlisle, now Radio Cumbria, also gave great publicity to the problem.

At that time, I met the leaders of the Carlisle chamber of trade. I did not want to take any action that would jeopardise or harm its business. We decided to have a publicity campaign, paid for partly by the chamber of trade and partly by myself because I felt so strongly about the matter. As young people were being lured into glue sniffing and were dying, I felt that some action should be taken, if possible, to try to draw their attention to the dangers. We produced a small poster, about 12 in by 12 in, which was put up in almost every shop and large store

throughout Carlisle, to draw attention to the problem. It was a modest attempt, but it had some effect. Some people may have gone under cover as a result of the campaign —I do not know—but at least it had some effect. One also discussed the matter with members of the health authority and the Cumbria police.

The problem in the area has eased, but it is still there. I agree with the hon. Gentleman that more action could be taken in educating young people in schools by drawing attention to the dangers of drugs in general and glue sniffing in particular. The Cumbria police have been most helpful. From time to time members of the police force have gone to some of the schools, but their movements have been somewhat limited because of the strain on the force from other aspects of policing. Therefore, I still believe that the Department of Education and Science should examine the matter, see whether something can be done within the curriculum, and suggest that the education authorities also consider it.

As everyone in the House knows, drug taking in general is on the increase. At the time of our campaign, many people became impatient because no one in Parliament seemed to be taking any initiative to deal with the problem. At that time, my then parliamentary neighbour was the Home Secretary, and we discussed the issue in private conversations that we held at some of the social functions that we attended. However, I cannot disclose what he said, as he told me one or two things in confidence. Nevertheless, the then Home Secretary, and I believe every Home Office Minister, was anxious to ensure that something was done. But nothing was apparently done, so I am glad that the hon. Member for Tynemouth has taken the initiative by introducing a Bill.

This is far from being a party political matter, and I know that many hon. Members wish to take part in the debate. Therefore, I shall be brief. Nevertheless, I am worried about the increase in drug taking. I hope that the Government will at some point be able to improve upon this measure and give it a wider scope. When there was rampant glue sniffing in my constituency, the television and other media very fairly tried to draw the attention of young people to the problem.

Just before Christmas last year, Border Television put out two broadcasts on the whole question of drugs. My hon. Friend the Member for Oldham, West (Mr. Meacher), the shadow spokesman on health, was in the audience, with me. The video was down here for at least two weeks. In its two programmes, Border Television drew attention to the general increase in drug taking. The interviewer, who was a member of Border Television's staff, was a man of great courage, as he interviewed his daughter, who was a drug addict. It takes guts to go before such a vast audience and do that. At the time, she was in the one and only home that we have in the north-west, trying to rehabilitate herself. I congratulate the interviewer, in particular, on his courageous stand in interviewing his daughter. If that interview saved one young person from calamity, it was worth it.

I commend the Bill to the House. It is not a perfect Bill, but it is a modest little measure that is designed to try to help. As far as I know, it is the first of its kind that has attempted to deal with the problem. I hope that, as a result, we may save many of our young people from falling into the depths of despair or from losing their lives.

10.14 am

Mr. Phillip Oppenheim (Amber Valley): The problems of solvent abuse have been more than amply outlined by my hon. Friend the Member for Tynemouth (Mr. Trotter), so I do not propose to take up the time of the House by further going over those problems, especially as I am more than well aware that many other hon. Members wish to speak.

Solvent abuse is a serious matter in certain areas, and unfortunately one of those areas is my constituency, where a brave campaign has been waged by local people to combat the problem. I therefore wholeheartedly welcome this measure as a valuable, if only a first, step in the right direction. It will also bring the law in England, Northern Ireland and Wales into line with the law in Scotland, where, I understand, prosecutions of some shopkeepers have already had some effect in alleviating the problem.

I stress that the Bill is not an attack on shopkeepers. It is, however, a definite attack on the irresponsible minority of traders who try to make a profit out of this disgusting habit. However, I feel very strongly that there is still more room for action by the Department, and I am only sorry that my remarks seem to have driven my hon. Friend the Minister away from the Front Bench.

The video that has been issued is not nearly strong enough to frighten children away from the dangers of solvent abuse. I make no apology for saying that hon. Members should make no mistake about the fact that children have to be frightened away from this problem, as that is the only way of having any effect. I sincerely hope that serious consideration will be given to producing and distributing to schools a far stronger effort in an attempt to deter youngsters from solvent abuse.

I pay tribute to the British Adhesives and Sealants Association, which has made some effort to produce and distribute a quite reasonable anti-solvent abuse kit to shopkeepers. That has had some effect in my constituency. Above all, I pay tribute to the people and shopkeepers of Ripley in my constituency, who have made great efforts to fight solvent abuse. I refer, in particular, to two mothers, Myra Tagg and Susan Beastall, who have been tireless in their efforts to get local shopkeepers to display warning notices. As a result, no fewer than 100 shops in Ripley now display warning notices about solvent abuse. Furthermore, they were tireless in their efforts to collect no less than 5,000 signatures, which were presented late last year to No. 10 Downing street.

We all know that solvent abuse can cause serious physical and mental problems. More seriously, deaths have also been known to occur as a result of solvent abuse. In addition, the effects of solvent abuse are not confined to the glue sniffer. Violence is all too often the result of intoxication, and hence the problem goes far wider than the youngsters who indulge in this evil.

Therefore, the Bill is a strong weapon, if only perhaps a first step, in combating the problem. I wholeheartedly welcome it and support my hon. Friend in commending this measure to the House.

10.18 am

Mr. Alex Carlile (Montgomery): I hope to be brief, but the Bill is important, and I should like to join those who have congratulated the hon. Member for Tynemouth (Mr. Trotter) on presenting it to the House. It is very rare that a Bill can achieve so much and at the same time be so

[Mr. Alex Carlile]

short. The measure is short but effective and is designed to hit at the nub of the problem, which is the supply as much as the use of glue and other solvents. Perhaps the same approach should be applied more effectively than it is to hit harder at the supply rather than at the use of the less harmful drugs. The abuse of solvents has led to considerable behavioural problems. I should like to concentrate on just one aspect of that—sniffing leading to youngsters under 18 appearing before the courts.

There is a good deal of evidence that people who have been sniffing have appeared before the courts for many minor offences, but the problem goes further than that. I should like to pass on part of my observations over the past couple of years during which I have been present at a Crown court in the north-west where two youngsters under 18 appeared on the same day, charged with sexual offences. One was charged with indecent assault on a young woman. That certainly arose a short time after he had sniffed glue. The other was an extremely alarming offence. A youngster of 17 went to a shop where he was sold a packet of crisps and a tube of glue. It must have been obvious to the shopkeeper, for sniffing was already rife, that he did not intend to eat the crisps and then make a model aeroplane. It must have been obvious that he would go sniffing. He went into a wood, emptied the crisps on the ground and sniffed glue from the empty bag. An innocent young girl was taking her daily short cut through the wood, on her way to work. She was raped. The sniffing of glue had caused him to believe that he was sexually irresistible. He overcame her resistance and used considerable violence towards her.

The abuse of solvents can lead to tragic cases of that type. They can destroy the life of the sniffer, and affect the life of the victim very badly. Because of such cases I wholeheartedly support the Bill. The answer is perfectly simple for shopkeepers. If a youngster goes into a shop and wants to buy a packet of crisps and a tube of glue, or otherwise raises the suspicions of the shopkeeper, the shopkeeper has only to sell him the crisps and tell him that he can have the glue if his mum or dad buys it for him. It is a simple answer which puts the burden where it should lie—on the shopkeeper before the sale takes place. It does not stop shopkeepers making legitimate sales when they are satisfied on reasonable grounds, that the circumstances are appropriate.

The hon. Member for Tynemouth rightly mentioned the question of court sentences. I believe that he has drawn the Bill correctly. The type of person who might be tempted to commit this type of offence is the type who will be greatly affected by what has often been called "the clang of the prison gates". I do not believe that we should achieve anything more if we put draconian potential sentences in the statute. We should not forget that the maximum prison sentence is not six but 12 months, because if a shopkeeper commits more than one offence, the court is perfectly entitled—and in most cases would be right—to pass consecutive sentences, which could amount to 12 months. The magistrates court could also impose fines amounting to several thousands of pounds.

In the very modesty of the penalties that it sets, the Bill has a realism that will be very much a part of its deterrent effect. The Bill, which it is important that we all support, will go a long way to mitigating one of the most alarming social problems of recent years. That social problem is not confined to London or the metropolitan counties. It has even penetrated to the quiet reaches of the small towns and villages of mid-Wales which I represent, and to other rural areas. I believe most earnestly that the enactment of this Bill could lead to the problem being brought closer to an end.

10.24 am

Sir Geoffrey Finsberg (Hampstead and Highgate): I too congratulate my hon. Friend the Member for Tynemouth (Mr. Trotter) on his Bill. He is fortunate to have my hon. Friend the Under-Secretary of State for the Home Department as the Minister who will help to get the Bill through. I had the pleasure of being a sponsor of the "video nasties" Bill, which was improved out of all recognition in Committee by the constructive efforts of my hon. Friend the Minister. I am also a sponsor of this Bill and am sure that it will have a clear passage. I hope that what appears to be unanimity in support of the Bill now does not, as happened occasionally with the video nasties Bill, disintegrate in Committee. This Bill ought not to run into the same choppy waters.

When I was a Minister in the Department of Health and Social Security I considered the problems of solvent abuse. I hated the term "glue sniffing" because it is far too narrow and emotive. It gives the sensational media an opportunity to do harm. Some of the media have a grave responsibility for some of the deaths that have occurred. Newspapers such as that in Newcastle to which my hon. Friend the Member for Tynemouth referred treated the problem most responsibly, however. The phrase "solvent abuse" was an improvement in terminology, but we have now come up with "intoxicating substances", which is probably even better as it is not so easy for a tabloid newspaper to include it in a headline.

My hon. Friend the Member for Amber Valley (Mr. Oppenheim), who is not here at the moment, referred to the film that has been produced and, while my hon. Friend the Minister was consulting his advisers, blamed the Home Office for that product. I have to take responsibility for the film, if we are talking about the same one, because it was a DHSS production, if I might put it in those Hollywood terms. I thought that it was a bit too lurid but that the message would get over. We have to steer a middle course between something that is so sensational that it might encourage people to experiment, as my hon. Friend the Member for Tynemouth said in regard to the chap who was sniffing for 13 hours a day, and something which is too much of a bromide and would pass by unnoticed.

We examined a variety of measures. In the 18 months during which I had those ministerial responsibilities, this was one of the most difficult subjects as we did not know how to tackle it without producing even more loopholes. I concluded that the law had only a small part to play and that the solution lay principally through education. That education has to be on more than one front. It should try to assist people who are likely to come into contact with people who sniff substances and make it easier for them to recognise the problem. Many of us know how difficult it is suddenly to be confronted with the knowledge that someone we have known for years is an alcoholic. One cannot always recognise it. In a previous incarnation I was for many years the personnel controller in a large multinational company. A colleague, who had been around for some years, was suddenly discovered to be an

alcoholic. I confess that I had not recognised the symptoms. Even a person trained in personnel does not necessarily pick up such things.

It is a matter of educating and helping. One way would be to bring home to all those responsible, such as teachers, the police, social workers and, above all, parents, what the problems might be, and how to recognise and tackle them. We need a balance between the heavy-handed approach and saying that it does not really matter.

My hon. Friend the Member for Tynemouth said that some teachers may say that it would not happen in their classes, and I am sure that he is right. Equally some teachers may say, "I must not interfere with the freedom of pupils to do as they wish." Both attitudes are equally dangerous. They are as dangerous as people who say, "It does not matter if people take soft drugs," and totally overlook the fact that soft drugs often lead to hard drugs. There must be a balance.

The Bill deserves a quick passage. It is arguable whether the penalties are sufficiently strong, but we can test and debate them in Committee. The advantage of having the penalties at this level is that cases can be dealt with quickly in magistrates courts. There would be problems if we set penalties at a level that would require the case to go to a higher court. We must measure the difference between the efficiency and speed of magistrates courts, and higher courts which take much longer and occasionally produce a field day for barristers who can find remarkably good arguments for both sides at almost the same time—hon. Members will appreciate that I am not in the legal profession.

The Bill is a good one, and deserves its passage. I hope that when my hon. Friend replies he will forgive me if I have had to depart for pre-arranged parliamentary business. I wish the Bill well. The House is fortunate that my hon. Friend the Member for Tynemouth came top of the ballot and chose this sensible subject.

10.32 am

Dr. Brian Mawhinney (Peterborough): I congratulate my hon. Friend the Member for Tynemouth (Mr. Trotter) on introducing this measure. His catalogue of successes over the past few years may tempt his hon. Friends to find a distraction to keep him away from the House next year in order to increase our chances of winning the ballot.

Like other hon. Members who have spoken, I have a constituency interest. Peterborough is generally a Mecca of moderation, yet we have a developing and serious solvent abuse problem. I wish to pay tribute — not frequently done in the House—to the deputy editor of the *Peterborough Evening Telegraph*, who was so concerned that he started a campaign in that newspaper which has been most influential in educating my constituents about the problem.

My hon. Friend the Member for Tynemouth referred to peer pressure. I am sure that he is right that that is a factor, but I do not think that it is the single most important reason why young people get involved in this pastime. He also referred to boredom and the lack of "worthwhile opportunities". They may be factors in some cases, but he would not wish to imply that, by definition, people who are bored or feel a lack of worthwhile opportunities necessarily get involved in the practice of glue sniffing. It is interesting to note that some young people who get involved come from extremely privileged homes where neither case applies.

My hon. Friend referred adequately and graphically to the consequence of death. I wish to mention two further consequences, one of which was mentioned by my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg). We want to prevent young people from becoming involved in solvent abuse because it is likely to lead to addictions of a more serious and permanent nature as they grow older. I do not accept the premise that solvents or soft drugs invariably lead to hard drugs, but there is enough evidence that, on sufficient occasions, it becomes a genuine worry.

The second reason why the problem is so serious is not that it causes death, but that it causes long-term permanent physical damage. Young people may survive a glue-sniffing bout in their youth but, in the process, they may do irreparable damage, perhaps even to the extent of life-shortening, and certainly to the extent of impairing organ functions, which will cause them considerable distress later. We would not expect children to think in those terms. Therefore, it is the responsibility of the House to consider the matter.

I am anxious about part of my hon. Friend's speech. Clause 1 of the Bill says that it is an offence for a person to supply

"if he knows or has reasonable cause to believe that the substance is . . . likely to be inhaled."

In Committee, it will be necessary to consider the word "knows". My hon. Friend created the impression that he was not as worried about normal trading and reputable traders as he was about street corner merchants. I shall give an example to the contrary.

In Peterborough we decided to call together organisations with the purpose of establishing a standing conference, which is proceeding well, and which arose from the concern of Mr. John Harper-Tee, the deputy editor to whom I have already referred. The local radio station sent a reporter to the embankment of the River Nene which flows through the centre of Peterborough. On a 15-minute walk, only three or four minutes away from the centre of Peterborough, he collected 30 plastic bags with glue in the bottom. The radio station then sent a reporter to a large national store, because 20 of the 30 packets bore its name. He took a hidden microphone with him and asked to buy glue. He talked about relative strengths and wanting a plastic bag, thus giving every clue and conveying the impression to the shop assistant that he was going to use the product for glue sniffing. Yet he was given what he wanted without a single question. Afterwards, when he revealed his identity and asked for an interview with the manager to explain the policy, there was considerable embarrassment and confusion, and bad publicity for the firm. I shall not name the firm because it has since recognised that there is a problem and it has redoubled its efforts to make sure that that does not happen again.

The Bill should cover that sort of perfectly legal and respectable establishment just as much as the street corner operator. Although the Bill covers that aspect, we must be careful about what it means by "knows" and "supply".

Mr. Trotter: I take my hon. Friend's point very much on board. I should have thought that not only the word "knows", but the phrase

"has reasonable cause to believe",

would, in the mind of the magistrate, cover the circumstances that he has portrayed.

Dr. Mawhinney: I am encouraged by what my hon. Friend says and by the affirmative mutterings of my hon. Friend the Minister. I hope that in Committee we can satisfy ourselves that that is the case. I am not trying to make difficulties. I simply want the Bill to be as effective as possible.

I understand why the preamble states that the Bill is unlikely to have significant financial implications. If it protects people from long-term medical damage, there will be positive financial savings to the Health Service.

It is always difficult to know where to draw the line between individual freedom and state protection. We have heard many libertarian arguments in the House in recent days. It does not behove adults, some of whom find their escapism at the bottom of a glass, to say that youngsters should not be allowed some escapism. It is difficult to know where to draw the line between freedom and escapism and the need to protect our youngsters, in many cases from dangers that they do not understand or are incapable of appreciating. The Bill will be helpful. I agree with those who say that we must educate our people. However, we must do more than that. We must generate a community spirit that makes it socially unacceptable, not exciting, to indulge in such activities. If we can generate such a community spirit, and couple it with education and the Bill, we shall go a long way to helping our young people.

The House is grateful to my hon. Friend. I see no reason why the Bill should not be passed with acclamation.

10.42 am

Mr. Paddy Ashdown (Yeovil): I listened carefully to the speech of the hon. Member for Peterborough (Dr. Mawhinney), who mentioned at the end the concept of community spirit and of the community moving together. I shall return to that point later. I join hon. Members in congratulating the hon. Member for Tynemouth (Mr. Trotter) on introducing the Bill. In the first days of International Youth Year, it is appropriate that the House should address one of the great scourges of modern youth in Britain and elsewhere.

Just before Christmas a young girl, Tracey Hutchings, who lived in a village close to mine in the centre of my constituency, was found dead as a result of solvent abuse. As some hon. Members have said, I used to suffer from what I now know was highly dangerous complacency. I believed that it was a problem of which I had seen some small signs in the community which I represent, but I did not believe that it affected us greatly. I thought that it was confined to the inner cities. The tragic death of Tracey Hutchings shocked me out of that complacency, and I hope that it shocked the other members of my community out of their complacency.

The tragedy of Tracey Hutchings was not just the wasted life of a young girl who was still at school, but the fact that we knew about her problem. The school knew about it; indeed, she had been suspended from school after being found unconscious in the lavatories as a result of solvent abuse. The social services and the youth service, which is miserably small in my area, knew about it. The doctor knew about it, as did her parents, who had consulted the educational psychologist about it, yet our community failed to prevent her death. We failed to provide support for Tracey Hutchings and others.

I do not wish to distribute blame or to point to a dereliction of duty, because I believe that society failed that young person, as it is failing youngsters in the rest of Britain. There was no support structure to provide the help that she needed to cope with the problem. If there had been, it might have saved her life. I do not know whether we would have saved Tracey Hutchings' life, but I am sure that, in terms of my community and elsewhere, such a life should not have been wasted in those circumstances.

Mr. Rob Hayward (Kingswood): Does the hon. Gentleman share my view that the graphic pictures shown on HTV of the funeral of Tracey Hutchings, the agony caused to her school friends, and the comments made in great distress by many of her school friends, may have driven home to teenagers, who are most at risk in those circumstances, the agony and difficulty caused to communities by such practices?

Mr. Ashdown: I am grateful to the hon. Gentleman, who obviously saw the same pictures as I did. I share his belief completely. As hon. Members have said, the role of the press — in this case HTV and our local newspaper, the *Western Gazette*—in alerting parents and teachers to the problem, and in not allowing society to hide its head in the sand, is vital.

Here I must sound a note of caution. All politicians are susceptible to the Pavlovian reaction. I do not pretend to be free of it. Just as Pavlov's dogs salivated at the ring of a bell, when politicians see a problem they tend to legislate. I am in favour of the Bill, which will, as the hon. Member for Tynemouth said, close a loophole. However, there is a danger that by passing the legislation hon. Members will feel considerably more comfortable and may even believe that they have solved the problem. That is not true. The hon. Member for Tynemouth hit the nail on the head when he said that the Bill merely closes a loophole, albeit an important one. But it is not the solution to the problem, and I would not wish hon. Members or the public to believe that, as a result of what we do today, the problem will be behind us.

The hon. Member for Tynemouth said that this is a social problem, and he is right. We must be clear that it is a social problem, not only for the unfortunate youth who indulges in such practices, but for the rest of society. We cannot confine the problem only to those who engage in the habit. Despite the help that the Bill will undoubtedly give us, society must still provide assistance to counter the terrible scourge.

In that regard, I must return to the case of Tracey Hutchings. I said that our community had signally failed to support Tracey in her moment of considerable need. There was no properly resourced youth service, and no properly integrated support mechanism between the school and the social services. Everyone did their best, and I criticise no one's actions, but at her moment of greatest vulnerability there was no properly integrated support structure to assist her.

I hope that hon. Members will bear in mind the point made, I believe, by the hon. Member for Hampstead and Highgate (Sir G. Finsburg) that we must try to create a decent support structure to help youngsters, especially when they are most vulnerable. The role of the youth service as a safety net or last resort is vital. Youth workers in the community can recognise those youngsters, not just in the school environment but in the social environment, and can help them.

Dr. Mawhinney: Will the hon. Gentleman give way?

Mr. Ashdown: I will be happy to give way in a minute. I am sorry to introduce what may be an unwelcome political point, but it is a pity that the Government have taken such a poor view of, for instance, the Thompson report, which could have done much to provide us with a youth service that could have begun to tackle the problem in a more fundamental way. That is no criticism of the hon. Gentleman's Bill. It is, however, an important factor in the background against which we have to tackle the problem. The Bill represents the first step in tackling that problem.

Dr. Mawhinney: My comments refer to the point in the hon. Gentleman's speech at which I first tried to intervene. The youth service is certainly important, but what is needed is something much broader than a youth service. One can draw a parallel with smoking. Although there has been much support and assistance for those who wish to stop smoking, the greatest single influence has been a change in society—a change in the attitude of the whole community. I hope that the hon. Gentleman will not lay too much stress on the need for a specialist service but will view the problem in a wider context.

Mr. Ashdown: I agree with the hon. Gentleman. As has been said, we must educate the whole of society. The youth service alone cannot solve the problem. It may be that I am concentrating on the youth service on this occasion because, unhappily, the youth service provision in my part of Somerset, could have done much more to tackle the problem and is woefully inadequate. The youth service is only part of the solution, although it has a key role to play. I welcome the Bill, but I welcome it only if it is regarded as the first step—not the last—in carrying through our determination to deal with the scourge that afflicts the young people of Britain.

10.53 am

Mr. Geoff Lawler (Bradford, North): I join others in applauding the introduction of this Bill by my hon. Friend the Member for Tynemouth (Mr. Trotter). The Bill is good news for those parents who seek help because their children are suffering, or have suffered, from the effects of glue sniffing. It will be valuable for shopkeepers and their assistants, as there will now be legislation to help them prevent young people from buying such products. It will protect members of the public from the worst effects of glue sniffing by others. It will also be a great help to young people.

In assessing the potential effectiveness of legislation, we need to consider why young people turn to glue sniffing. The typical abuser is a boy aged 15 or 16. Four times as many males as females abuse solvents. The young people usually have some form of personality defect. They tend to be under-achievers. They lack confidence. They are looking for kicks. They see glue sniffing as a challenge, a kick against authority and an escape. It may be their only, temporary, pleasure.

All those characteristics combine to make such young people very vulnerable to peer pressure. Glue sniffing tends to be a group activity. When other members of a group of lads say, "Come on, try this. It's great fun. You can forget about the problems of school and about how your father prevents you from doing what you want. It won't do you any lasting harm. I tried it yesterday, and I'm all right today." Vulnerability to pressure, combined with easy access to the products, means that such young people can easily turn to glue sniffing.

Mr. Alex Carlile: The hon. Gentleman may be underestimating the extent of the problem. Glue sniffing is engaged in by many children with no social or educational problems. The stuff is so readily available that children are trying it out in school. The hon. Gentleman says that the Bill is good news for parents. Surely the message that we must send out to parents is that they must not be complacent because we are passing a Bill. They must be ever vigilant and must watch out for this dreadful practice.

Mr. Lawler: I am grateful to the hon. and learned Gentleman. I was about to make some of the same points.

As the hon. and learned Gentleman says, it is the ready availability of these goods that encourages young people —especially vulnerable young people, although I agree that the problem cuts across social classes — to use them. It is easier to buy solvents than to buy cigarettes or alcohol, and certainly much easier than getting hold of more dangerous drugs. The Bill, therefore, will have an effect on one of the issues at the heart of the problem.

Most abuse is short term. The vast majority of young people will try it a few times and then grow tired of it or grow out of it. When they reach the age of 18, young people tend to find that alcohol is a much more pleasant way of getting kicks than putting their heads in plastic bags and breathing Evostik. However, even short-term abuse exposes young people to considerable danger. There is the danger that they may progress to more harmful drugs. Whilst under the influence of solvents, they may accidentally suffocate or inhale their vomit. They become vulnerable to other accidents. They may become more likely to indulge in vandalism or other criminal activities; some horrific examples of that have already been mentioned. They are also in danger of psychological damage.

I believe that the Bill will deter a significant number of young people from taking the first step. They may feel that the hassle of trying to acquire the product is not worth while. Even though they may have been told about the effects of these products, they may not bother to try to buy them.

The Bill, however, will not stop the hardliners. Those who are determined to sniff solvents will still find a way of doing so. That problem can be solved only through the counselling of young people and, perhaps even more important, the counselling of those who work with the young. We must make sure that they can identify solvent abusers and try to help them in the early stages.

We must take care that mass education about the products does not simply encourage more young people to try them. We are in danger of producing do-it-yourself guides to glue sniffing. The education must be selective and responsible.

The retailers should be applauded for the initiatives that they have taken. Initiatives have been taken by groups of retailers, individual stores and manufacturers. They recognise the existence of a problem. However, the vast majority of solvents are still bought in general stores, do-it-yourself stores and high street stores. They are not bought from back-street retailers. There are examples, for

[Mr. Lawler]

instance in Scotland, where people give kits out over the counter, knowing full well the purpose for which they will be used.

In a recent survey, some young people were sent into a shop in which there was only a young, innocent shopkeeper. They went up to the counter with their pot of glue and made what would appear to the shopkeeper to be a natural request for an extra polythene bag. Later, someone went in and asked for two extra polythene bags. A 17-year-old shop assistant would not be aware of all the tell-tale signs or the social problems. He or she may never have come across such things before. Retailers who have sought to educate their assistants to look for these signs and to be aware of this problem have begun to stop the ready supply of solvents to young people.

Another important point is that the right action is to stop the supply of these products and not to hit the users. If we were to introduce legislation to make this a criminal offence, the only effect would be to heighten the challenge of this to young people in the same way that they drink alcohol under age, because it is illegal and that adds a bit more fun to it. Such a move might draw more young people into the habit. Another danger is that it would bring many more young people into contact with the law and put them on the wrong side of the law, probably for the first time and possibly for the only time. This might encourage them to go further down the wrong road, with disastrous consequences.

This is the right measure, although it will not solve the problem. Counselling is still necessary, especially for those who are hardened addicts and are likely to go on to something else. However, the Bill will go a long way towards stopping the average sniffer, the 15-year-old male who is vulnerable to peer pressure and who at the moment can wander into any shop and buy the products. I hope that that easy access will be limited by the proposed legislation and will therefore help others who are trying to solve this problem once and for all.

11.2 am

Mr. Harry Greenway (Ealing, North): I welcome the chance to take part in this debate, having sponsored a Bill on the subject last year, with my hon. Friend the hon. Member for Tynemouth (Mr. Trotter). In the last Session of Parliament, I sponsored two Bills on this very important subject. Although the Bill specifically deals with the under-18s, glue sniffing is not confined to that category, as I discovered during a further tour of the homeless during the night. I met several under-18s who had been sniffing glue during the day, but I also came across older people who had been doing the same thing. The problem hits people of all ages. We need to recognise that and hope that by education we can help older people to overcome this problem.

I am speaking not as an accountant, or as a doctor as my hon. Friend the Member for Peterborough (Dr. Mawhinney) was, but as one who ran a mixed school for over 2,000 pupils for seven years, was a teacher for 23 years and so saw the problem from the educational end. Some head teachers, teachers and parents in my constituency have presented four petitions to me in four years, with thousands of signatures, begging for action on this problem, and they were right so to do. They pointed out that glue sniffing, solvent abuse, call it what one will, affects children from tots to 18-year-olds. Something has to be done fast.

Only a few days ago we had an example of a boy who was driven almost mad after glue sniffing. He murdered his mother and then his grandmother and then committed suicide. Things have come to a terrible pass, and the House can no longer sit back and do nothing. Recently I visited a prison and met several prisoners, one of whom was under 18 while the others were in their 20s. The prison officers told me that the prisoners' minds had been dissolved by glue sniffing. Two of them had gone back into the world when they had come to the end of their sentences but were incapable of living coherent lives because they no longer had any mind. The whole substance, power and physical aspect of their minds had disappeared as a result of glue sniffing. That is a tragic and agonising situation.

Between 1971-81 there were 169 deaths due to glue sniffing. In 1981, there were 45 deaths and by 1983 the figure had risen to 57, and it is rising every year. Hon. Members on both sides of the House have spoken about the problem in schools. We know that, on average, 10 per cent. of children in all schools are sniffing glue or are abusing solvents, and in some schools the figure is as high as 14 per cent. and rising. This is serious and it cannot be left just to teachers, although they have a big responsibility.

Children and adults are dying and the causes of death have been referred to by hon. Members. A few months ago I said to the House:

"The catalogue of causes of death shows how horrific is the problem of solvent abuse. For example, it contains instances of death by asphyxia, suffocation following the use of plastic bags, by inhalation of vomit, by hanging, by drowning and from multiple injuries. The National Compaign Against Solvent Abuse"—

which has done such a splendid job—

"has estimated that 25 per cent. of deaths are caused by the direct effects of these poisonous chemicals upon liver, kidneys, heart, lungs and brain. Only 10 per cent. of the deaths enumerated are caused by accidents when youngsters are high." — [*Official Report*, 2 May 1984; Vol. 59, c. 362.]

The last point is evidence that deaths occur because children in particular have lost their mind, and that is tragic.

There are two ways forward. One is in the Bill, which I have the pleasure of sponsoring with my hon. Friend the Member for Tynemouth and which seems to meet the wishes of shopkeepers. A shopkeeper constituent of mine wrote to me a few weeks ago begging for legislation that would cover him in any refusal that he made to people who came to buy solvents. He told me that they would come and bang on his counter and demand solvents and he has no power to say no.

Mr. Alex Carlile: Rubbish.

Mr. Greenway: This is what he has told me.

Mr. Alex Carlile: He can withhold.

Mr. Greenway: He can do so, but he feels that he would be in a better position if he were covered by specific laws, and that is a reasonable point.

Mr. Robert Kilroy-Silk (Knowsley, North): He must be a weak-kneed man.

Mr. Greenway: No, he is not a weak-kneed man. He is trying to make a living in a difficult area and he has

asked for this protection, which is reasonable. People in much cosier circumstances than he ask for protection and get it from the House and from local councils.

The Bill will help such individuals, and is a small step forward. I do not accept the assertions of the industry concerned with 15 per cent. of the problem—those who make and sell glues—that something harmless cannot be added to the glue. I introduced a Bill on this subject and simply asked that the Bill that we are now discussing should go a little further. Why cannot glue be made unattractive to sniffers by being non-solvent based? Glues do not have to have anything obnoxious added. The problem is that solvents attract sniffers. Why cannot they be made neutral in smell and therefore uninteresting to those who attempt to abuse them?

Part of the industry has made a splendid effort to produce unattractive glues. Dunlop has produced the glue that I hold in my hand. I have no financial interest in Dunlop. Its glue is as effective as any other, but it is unattractive to sniffers. Anyone in the House or outside who wanted to sniff it would receive no pleasure or stimulation.

The Home Office must be more radical and determined in its approach to glue producers. It seems to be protecting their wish not to fall into line. It does not seem to feel able to move forward with legislation and it does not even seem to be prepared to put moral pressure on them. I hope that I am wrong, and that my hon. Friend the Under-Secretary may be able to come some way towards me.

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): I appreciate that my hon. Friend speaks with great feeling on this issue, in which he has taken an interest for some time. I am sorry to interrupt him, but he should be fairer in his judgment. He heard the former Under-Secretary for Health and Social Security say that the trouble with aversive substances is that some of them do more harm than good. That has been the American experience.

My hon. Friend has also heard a number of well-informed Members say, as is the case, that the problem is not confined to glue. In some ways, glue is one of the least dangerous substances to inhale as against the use of aerosols and many other products. While I am not advising people to sniff glue, the mere fact that we made some glues more difficult for people to get pleasure out of sniffing would not stop the problem. It might drive people to even more dangerous substances. My hon. Friend must not rush to judgment and perhaps become angry with people for not responding to what some of them are bound to find—dare I say this?—somewhat superficial criticisms.

Mr. Greenway: I do not accept the last remark. The Minister has nothing like the experience of children that I have, and I am not interested in that type of comment; nor do I accept his suggestion that I am looking for aversive additives. I specifically said that I was not. I said that I was wanting neutral substances to be added to glues. Glue sniffing represents 15 per cent. of the problem. I take his point—I know that he has worked hard on the problem and we have discussed this, but it seems to me that if we could tackle and overcome 15 per cent. of the problem we would be doing a good deal. It would be worth while.

Mr. Roy Galley (Halifax): I should like to emphasise that if people move away from glue because they will not get a kick out of it, there are 300, 400 or 500 other products to which they could move. It would do nothing to help the problem. It would be worse, if anything.

Mr. Greenway: The point is interesting, but if glues can be tackled there must be a knock-on effect on other solvents. All I ask is that there should be research. Let the problem be studied.

Although I believe that the Bill should go much further, it is a welcome first step. I hope and believe that it will receive the unanimous support of the House. It will have my support.

I went into a well-known shop the other day, and as I was being served a punk rocker came in. He asked for glue and was sold glue. A man standing next to me said to the person who had sold the glue, "You know that glue is going to be abused." The man behind the counter said, "Yes, I do, but what is it to me if people choose to kill themselves in that way?" That is disgraceful. The Bill will overcome that and I welcome it in that spirit.

11.15 am

Mr. Charles Kennedy (Ross, Cromarty and Skye): Like many other hon. Members, I congratulate the hon. Member for Tynemouth (Mr. Trotter) on his success in the ballot and on bringing forward this legislation. I am grateful to him for asking me to be a sponsor of the Bill. The only other hon. Member in the Chamber with a Scottish accent is the hon. Member for Southend, East (Mr. Taylor) who is not a sponsor. The Bill does not apply to Scotland, but it follows some of the welcome prosecutions and legal decisions that have been taken in Scotland. Under this legislation people in England, Wales and Northern Ireland will be equally guilty. For that reason the hon. Member for Tynemouth, who has gained all-party and geographical support across the United Kingdom has done well and deserves the congratulations of the House.

When I first came into the House some 18 months ago my maiden speech was delivered on the problem of youth unemployment and opportunities. To some extent, I see a considerable relationship between that problem and the one that we are addressing this morning. This is an all-party measure, so it is not one for political argument. There can be no doubt that there is consensus across the Floor of the Chamber that the general lack of opportunities and general sense of alienation that so many young people—not just deprived young people but those in the middle class and in comparatively affluent circumstances—feel is leading them to take steps and measures that we find abhorrent and disastrous.

Amongst those measures, the worst must be the use of intoxicating substances. I see that as being even worse than alcohol abuse because, as the hon. Member for Peterborough (Dr. Mawhinney), a qualified medical practitioner, said, glue sniffing or solvent abuse can have more far-reaching and long-term consequences for health than alcohol abuse over the short period, if it is corrected. The vile and fairly insidious effect that intoxicating substances generally can have on individuals, particularly young people, demands action by Parliament. That is why this measure is so welcome.

This legislation, which deals with the retail side of the problem, could be the forerunner of further legislation or departmental action in respect of manufacturers. For example, the design of aerosol cans and butane gas fillers is sometimes as much an encouragement as the contents

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because they lend themselves to use and inhalation through the nostrils. If some encouragement, if not legislation, were given by the Home Office to manufacturers to make the appliances that they are producing less accessible—I appreciate that they cannot be absolutely foolproof because where there is a will there is a way—for use or abuse, it would receive all-party support.

As many other hon. Members said, this Bill is only the beginning of a welcome step towards addressing this horrific problem. The hon. Member for Tynemouth, in seeking and achieving broad support and consensus, is to be congratulated. The explanatory memorandum to the Bill says:

"The Bill is not expected to have any significant financial implications".

It would seem that he has even managed to please the Treasury. Any hon. Member who can achieve all-party support, broad and geographical support, and the support of the Treasury is one who deserves to succeed. This will be a welcome and necessary first step towards correcting and reversing one of the most hideous trends in young people. The problem is as much a cause for concern to parents in my area in the Highlands of Scotland as to parents in Tynemouth and throughout the country. I am happy to support the Bill.

11.20 am

Mr. Derek Spencer (Leicester, South): Solvent abuse must be a national problem, as it has even reached Leicester. Its prevalence will be confirmed by any policeman, doctor, or social worker, or even any barrister. They will confirm that the scourge has not just reached council estates in the inner city but has permeated the leafy suburbs and also the towns and villages of the county. They will further confirm that the problem is not limited to a narrow age band but affects people in their late teens and even some middle-aged people. No family in the land can afford to think that it will not be affected because all the evidence shows that it could and it might be affected.

A quick glance through the pages of the *Leicester Mercury* in the past 15 months provides a number of specific examples. In October 1983, a glue sniffer assaulted a policeman with a knife. At about the same time, in another part of the county, a 41-year-old woman addict stole glue from a shop in Loughborough. In December 1983, a glue sniffer in Wigston attacked his mother and in March 1984 three young men who had been drinking and sniffing glue attacked a young student in Oxford street in the centre of Leicester. When I visited the Norton street branch of the DHSS in my constituency last week I was told that as early as 9.30 am, shortly before my arrival, glue sniffers had been sitting around making a nuisance of themselves in the public waiting room. There is thus no difficulty in backing up general statements of the problem with specific examples.

Setting aside the *Leicester Mercury* and consulting that definitive work on modern social conditions by one of Leicester's most famous sons, "The Secret Diary of Adrian Mole aged 13¾", one finds evidence that even his friends sometimes become involved in this anti-social activity. We must therefore ask ourselves whether there is any satisfactory way in which this admitted problem can be dealt with or whether we must inevitably be thrown back on to the use of the criminal law as a last resort.

First, additives are not the answer. Stenchers have been added to poisons for a number of years by reputable chemical companies, but it is inherent in the nature of such additives that they cannot be put into an aerosol to be used for normal household purposes within the confines of the home. Chemistry therefore cannot solve the problem.

Secondly, can the trade itself deal with the problem? It has striven manfully to deal with it on a voluntary basis and we have heard examples of its efforts, but the evidence shows that its best efforts have not been blessed with success.

Thirdly, are the powers available to the police sufficiently compelling to eliminate the problem? The Leicestershire constabulary has set up a special unit to deal with cases requiring particular tact. It is staffed by women police officers and handles a wide variety of cases, including cases of solvent abuse referred to it from a variety of sources. Since 1982, it has handled no fewer than 292 such cases. Although the unit is doing splendid work, the volume of cases passing through its hands shows that there is a continuing problem. Fourthly, can the Government deal with the problem with existing measures? They have certainly put out information in an attempt to contain the problem. The DHSS has put out a film entitled "Illusions", held various seminars and sent out a mass of information to local authorities and the medical profession. Yet the problem has still not been contained.

Fifthly, and finally, can the law in its present form deal with the problem adequately? From time to time, the Court of Appeal has to wrestle with the matter. It said recently that a person driving a motor vehicle under the influence of glue was driving under the influence of drugs and therefore committing that criminal offence. It has also said, however, that a person under the influence of glue on licensed premises is not committing the offence of being drunk on licensed premises because under the licensing Acts that means being drunk on alcoholic liquor. Clearly, there are considerable gaps in the present law. Analysis of the problem must therefore lead us to the conclusion that the sharper claws of the criminal law are needed to tackle the problem.

I therefore support the Bill. It is consistent with the general principles of the law. Any person supplying solvents in the circumstances described in the Bill would clearly be displaying a degree of recklessness as there is manifestly a real risk that the person to whom the substance is supplied will end up either committing a criminal offence or indulging in some anti-social activity sufficiently grave as to compel the criminal law to intervene in the way specified in the Bill.

I have just two complaints about the Bill, both related to its modesty. First, there is plenty of evidence that the problem does not evaporate when young people reach the age of 18, as the case of the woman addict in Loughborough shows. Secondly, I am not convinced that the penalties are sufficient. I should have preferred the more robust approach adopted north of the border. I also believe that the courts should have power to try cases on indictment. If it is purely a summary offence, I fear that word will get around that that means that a first offence will involve only a fine. We should consider carefully whether the penalties should be toughened up.

I congratulate my hon. Friend the Member for Tynemouth (Mr. Trotter) on introducing the Bill. With the

passage of time he might be remembered, not only in the statute book, but in further editions of Adrian Mole's diary.

11.30 am

Mr. Christopher Murphy (Welwyn Hatfield): I support the Bill, not only as a co-sponsor of the measure, but as one who for long has campaigned for positive action by Parliament to deal with the increasing prevalence of glue sniffing and other forms of solvent abuse, particularly among young people under the age of 18 and often only 11 or 12 years of age.

I have made clear previously in the House that I am a firm believer in minimum interference in the lives of individuals. All Governments and all hon. Members should be circumspect when introducing further legal provisions that inevitably place controls upon the citizen. However, I have also previously made clear my belief in the need for legislation fulfilling its fundamental role of the protection of the individual's life style. It is therefore right that the House should give a Second Reading to the measure so that by such controls upon certain citizens the majority are better safeguarded.

My constituency has a depressing history of the misuse of drugs. Glue sniffing and solvent abuse are becoming additional steps upon a deadly treadmill. To emphasise that, I quote from a letter which I received in the past six months from a mid-Hertfordshire mother who, tragically from her personal experience, says more in a few lines than perhaps can any hon. Member, however determined he may be that the Bill should succeed. She says:

"I have a son who has been sniffing now for four years and the effect of this evil glue is terrible. To watch your own flesh and blood gradually kill himself is heartbreaking . . . please help if you possible can."

This glue sniffing Bill — as I suspect it might universally be called—is a response to such a plea by its objective of deterrence. It is not the complete answer to a highly complex problem and more will, unfortunately, be needed, including increased education about the dangers.

However, it is a brake upon that treadmill of death—one that is clearly desperately needed—and deserves support from the whole House.

11.34 am

Mr. Teddy Taylor (Southend, East): I am surprised that so many hon. Members have taken part in today's debate after a week when on average the House sat until 2 o'clock in the morning. The number of participants is a sign of the widespread concern and alarm about the incidence of glue sniffing, which is not an adolescent bit of fun but a killer. That is shown in the number of deaths. One death a week last year was caused by glue sniffing.

It would be wrong to suggest that the incidence of glue sniffing and solvent abuse in Southend is as serious as it is in some other towns. There may be many reasons for that. We have a vigilant and alert education service and the social services department watches closely. We have the great benefit of the vigorous, determined and continuing campaign by my local newspaper, the *Southend Evening Echo*, which constantly strives to bring the problem to the public's attention.

Will the Bill stop potential glue sniffers from obtaining glue? I accept that the Bill will almost certainly stop some small shopkeepers almost encouraging the sale of glue for profit. There can be little doubt that if the Bill is properly applied it will stop the small minority of stupid, evil or irresponsible shopkeepers from supplying glue. However, I am worried about whether the Bill will stop the supply of solvents.

Most shopping is done in major self-service stores. I wonder whether the Bill will be an effective device which will stop, for example, a 17-year-old girl on a cash counter selling glue to a young person who is buying many other items as well and whose friend may later buy the plastic bags. I wonder whether the Bill will work without a major campaign by the heads of such stores. There is a danger of thinking that this measure, so courageously introduced by my hon. Friend the Member for Tynemouth (Mr. Trotter), might achieve more than it will.

There are two things that we could do as a result of my hon. Friend's initiative. Do we really believe that it would make no difference, or even make matters worse, if we made it unlawful to sniff solvents in a public place? Some hon. Members think that that might drive the practice underground. Glue sniffing is widespread and it will spread further if the police can do nothing if, for example 10 young adults go to Parliament square five minutes from now and start sniffing glue or other solvents.

Groups of youngsters and others gather in public parks and other places to sniff glue. Not only are they doing something that is offensive to the general public; they can encourage others to do the same. Perhaps it would be helpful to make it unlawful to do that in a public place.

Secondly, we should consider introducing the system, which has worked well in Scotland, whereby a youngster caught glue sniffing can immediately be taken by the police and brought before the court. In Scotland, the young person has to go with his parents before the juvenile panel which decides what should happen, whether treatment is necessary and whether the young person should be taken into custody.

In Scotland, something can be done if a youngster is caught glue sniffing, but south of the border nothing can be done. If a youngster is seen glue sniffing in a public place, the police can do nothing unless some other crime, such as a breach of the peace, is being committed. We should consider those two changes in the law.

The problem is frightening. Only 10 days ago in that part of Southend represented by my right hon. Friend the Minister for Trade a young man murdered his mother and grandmother and then jumped out of the window and killed himself. A few days ago a group of glue sniffers congregated in an empty rectory, again in the same part of Southend. The problem is serious and worrying. I commend my hon. Friend's initiative and hope that it will lead to further changes in the law.

11.38 am

Mr. Roy Galley (Halifax): This excellent, if modest, measure is about as far as Parliament can sensibly go in legislative terms.

My hon. Friend the Member for Southend, East (Mr. Taylor) talked about the possibility of making glue sniffing in a public place illegal. I doubt whether that would have a potent effect. Much of the sniffing takes place in obscure and hidden places such as woods and cemeteries. I could take hon. Members to some well-hidden places in my constituency where this happens. If we were to say that it was unlawful to sniff glue in a public place, the habit would become even more secretive and people would go

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underground. When there is evidence of disorderly behaviour, the police already have considerable powers to act.

There has been a great deal of discussion about additives, but that is the wrong way of looking at the problem. The case has been well made that the argument for additives is a nonsense. There are alternative ways of approaching some of the problems, such as producing non-solvent based products. However, more research into that is necessary. It will be a long-term, if not impossible, job to deal with the whole range of products available for abuse.

Excellent though this measure is, there is a danger that——

Mr. Greenway: My hon. Friend is supporting a point that I made, but which he challenged. I said that we needed non-solvent based glues.

Mr. Galley: My hon. Friend was suggesting legislation to insist on additives. I believe that to be too simplistic a view. In the long term, research may find non-solvent bases for a wide range of products, but it will be an extremely difficult task. Until the whole range is plugged, people can move from one abusable product to another.

I wish to take up a point made by the hon. Member for Yeovil (Mr. Ashdown). There is a danger that, having passed the Bill—which I sincerely hope Parliament will do—there will be a degree of relaxation and that people will sit back and say, "We have done something and we have solved the problem." This measure will go a considerable way—it will act as a marker—and will be a morale booster for those who have been working very hard in the day-to-day nitty-gritty of trying to deal with the problem.

The crux of the matter still lies in the need for health education and efforts on a national rather than a localised basis. That must be given greater oomph — [HON. MEMBERS: "What?"] "Oomph" is a very useful word, and some oomph should be given to health education efforts. We need a great deal more research into symptoms and causes and into methods of treatment. We need to disseminate good practice because there is good practice in certain smaller localities within the country. I commend my right hon. and learned Friend the Minister for Health and my hon. Friend the Under-Secretary for their initiatives in disseminating good practice and funding research projects. Much more needs to be done in that direction, and I hope that they will not relax their efforts.

Apart from research, a great deal of information is already known. We need a great deal of training of teachers, general practitioners, social workers, parents, policemen and others involved with the problem. One of the first problems with solvent abuse is recognising the symptoms and obtaining awareness of what is happening. Having created the awareness, the difficulty is often that parents, teachers and those in the front line who know that there is a problem do not know to whom they can turn to find a solution.

We need to establish locally based networks of involved and informed people who can act as counsellors when the problem is spotted, and who are well known within the community. When a parent recognises the initial symptoms of glue sniffing and other solvent abuse, they can find a key person within the community to whom they can turn for advice.

We need to identify the problem at an early stage and then have concerted counselling to overcome it. That means direct and close involvement of parents, teachers, doctors, social workers and others who are working within the community. It means co-operation by health authorities, local authorities, social services departments and voluntary organisations. Surely district health authorities must take the lead in this matter. I urge DHSS Ministers to do more to encourage them to fulfil their responsibility in health education and to play a role in the co-ordinated project of counselling.

It may be helpful for social services departments to develop a register of children at risk. That may be an enormous task in some areas, but it would be feasible for some departments and work should begin on that now.

Reference has been made to the panel system in Scotland. There are varying views about how successful that has been. Nothing that we do on this issue will have dramatic and immediate results, but there are doubts about that system. Under the Children and Young Persons Act 1969 there are certain powers for social services departments to identify cases, and that largely covers the provisions in the Scottish legislation.

The other important point concerns a voluntary code of practice by retailers, and that involves their taking the products off the shelves and putting them under the counter to make them less readily available. We need to monitor the progress and effectiveness of the voluntary code. There is a great danger that that effort could fizzle out. We need more oomph in ensuring that the voluntary code is being implemented and that retailers do not forget after a few months that they need to make an effort.

This is an excellent measure. It is an important step in the campaign to overcome this desperate social problem. But the attack must be three-pronged—health education, more effort by retailers, and the education of shop workers. This Bill may not eradicate the problem, but it will make great inroads into diminishing it.

11.46 am

Mr. Rob Hayward (Kingswood): The last time I was fortunate to catch your eye, Mr. Deputy Speaker, was when I spoke on liquor licensing laws. I have now caught your eye to speak on intoxicating substances. I am not sure what message lies behind my two contributions, but I am sure that hon. Members will draw some conclusion.

There is certainly one conclusion to be drawn from this debate; I do not think that any hon. Member has yet referred to it. So far we have had contributions from the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy), from my hon. Friends the Members for Bradford, North (Mr. Lawler) and for Amber Valley (Mr. Oppenheim), and, if he is lucky enough to catch your eye, Mr. Deputy Speaker, we will also hear from my hon. Friend the Member for Lewisham, East (Mr. Moynihan). They are all at the younger end of the membership scale of the House. While my hon. Friends the Members for Welwyn Hatfield (Mr. Murphy), for Halifax (Mr. Galley), for Teignbridge (Mr. Nicholls), the Minister and myself would not claim the first flush of youth, we have all grown up in what was the drug culture of the 1960s. We may not necessarily have been surrounded by it, but we could not fail to be aware of it. The flower power music and societies

that were prevalent between 1965 and 1968 covered my teenage years. I think that many other hon. Members of that era also attended parties where soft drugs were peddled and consumed regularly.

The point I want to make about those drugs in comparison with the solvents of today is that many of the parents of children who are glue sniffing or abusing some other solvent will, having seen their own friends when they were teenagers taking soft drugs, presume that it is easy to get away from the practice. The problem is making the parents aware that the solvents being used by their children are much more dangerous than the soft drugs of the mid-1960s. Indeed, a large number of people never went further than to use soft drugs. However, as has been graphically described this morning by many hon. Members, it is very easy to have one tragic experience of solvent abuse which could result in serious health damage or even death.

All hon. Members who have spoken this morning have presumed that primarily we are referring to young people. I believe that that is the experience of all of us, although the hon. and learned member for Leicester, South (Mr. Spencer) referred to the problems faced by older people. It is significant that the statistics available for the period from 1971 to 1981 show that the average age of all those who died during this period from some form of solvent abuse was 16·8 years and that this is overwhelmingly a problem facing younger people. They are looking for some form of experience or "kicks" which they have not experienced previously. They are subjected to this danger during a period of immaturity. This means that they can be easily manipulated by older people.

For that reason, I particularly welcome the Bill. It would mean that we were getting at those people who are in a position to say no to youngsters when they recognise the symptioms. I, like the hon. and learned Member for Leicester, South, have doubts about whether the proposed penalties are sufficiently severe.

I was interested in the speeches of my hon. Friend the Member for Southend, East (Mr. Taylor) and the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) relating to the Scottish experience. There is an argument that we ought to look at ways of assisting young people or of taking legal action where it is the judgment of those who are there to give advice that guidance is not a satisfactory means of solving the problem.

Substantial reference has been made to guidance being given to young people who are glue sniffing or who may do so in the future. It is right that we should try to educate the teaching profession to recognise the symptoms and to impress on their pupils in whatever way is appropriate that sniffing is dangerous and could kill. We must also try to educate parents—as a society we have failed so far to do this—to recognise the symptoms. Very few parents, if asked, would easily identify the symptoms in their own children as being connected with glue sniffing or with the abuse of solvents. This point can only be made in television programmes. In some cases the message has to be fairly stark. I referred earlier to the news coverage of the tragic death of Tracey Hutchings in Crewkerne. There was also a "Juliet Bravo" BBC television programme which referred to the problems to which the Bill specifically relates and to the role which shopkeepers and parents ought to play.

We must also recognise the problems faced by people who live in areas where glue sniffing is prevalent. In my constituency, as in many other constituencies, there are areas which are well known as being used by glue sniffers. In the Dunbridge lane area of St. George in my constituency the residents face a particular problem. They are concerned about physical assault by people who are high on glue or about the general demeanour and attitude of people who are going to or coming away from glue sniffing. We have to recognise the problems created for a community in a particular area. We must try to educate not only the teachers but the children.

I welcome the introduction of the Bill. Despite the contribution of the hon. and learned Member for Montgomery (Mr. Carlile), I am not convinced that the penalties are sufficiently severe. However, I hope the Bill will provide a basis upon which we can all build and that it will enable us to educate both adults and youths about the problems of solvent abuse.

11.54 am

Mr. Greg Knight (Derby, North): I welcome this Bill wholeheartedly and unreservedly. Glue sniffing is a recent phenomenon. Action is needed to inform and thereby dissuade and deter the potential glue sniffer. Legisation is also required to provide a framework of responsibility which will require those who supply potentially dangerous substances to take care. The hon. Member for Kingswood (Mr. Hayward) mentioned a few statistics. May I add to the figures given by the hon. Member? In the United Kingdom, between 1971 and 1981, 169 deaths were associated with volatile substance abuse. Of these, 79 per cent. related to persons under the age of 20.

As has been mentioned by a number of hon. Members, we are dealing with a problem that mainly affects young people. However, the problem is not confined to glue. The chief substances that are used, or perhaps one should say abused, have been shown to be butane, solvents in adhesives, aerosols and even fire extinguishers. Of this group, solvents in adhesives have become increasingly important. The available statistics understate the case. The majority of incidents of solvent abuse go undetected. I should like to praise the *Derby Evening Telegraph* for frequently publicising this problem.

Those who indulge in glue sniffing or solvent abuse generally run greater risks than they probably realise. Although sniffing is not habit-forming in the same way as, say, taking heroin, nevertheless the effects are highly unpredictable. Death or serious injury may follow from a single incident of abuse. Therefore, the first-timer cannot presume that he is not running a severe risk.

What should be done? First, education has a large part to play. The young who may be tempted to try something that they believe is exciting should be educated. Schools should be alerted and encouraged to point out the dangers. Apart from the obvious danger of death, many other illnesses may result from the abuse of solvents—for example, depressed lung functioning, damage to the liver, the kidneys and the heart and even damage to the nervous system. In addition, and perhaps just as important, those who are under the influence suffer loss of control and sometimes unconsciousness which can prove dangerous, if not fatal. Education is also important for those who, by recognising the symptoms, may be able to save, if not a life, somebody's health or career.

There is another area in which the problem needs to be tackled and can be tackled. It is by imposing a legal responsibility upon those who sell the product. That is

[Mr. Greg Knight]

provided for by the Bill. I accept that legislation is difficult to frame. The Bill refers to the supplier committing an offence only if he knows or has reasonable cause to believe that he is doing so and the sale relates to substances that are likely to be inhaled. Some may say that this will give the lawyers a field day, but those who will form the majority of suppliers are responsible people. I believe that the measure will be a deterrent and that they will not wish to test the matter in the courts. If the Bill is passed, I believe that it will encourage them to exercise greater care over supplying solvents to young people. However, one problem is that children sniff a wide range of substances and are always experimenting with new ones. Many of the items involved are not expensive or obvious—such as, for example, alcohol or tobacco. They are items which young people could use for quite proper purposes. Therefore it is unfortunately impracticable to draw up a list of dangerous items for special control. Thus in some cases the shopkeeper will find it difficult, if not impossible, to make a judgment on whether he should allow the sale to proceed.

We cannot frame a perfect Act that will always catch the villains, but we can take a further step towards reducing the misery, pain and suffering caused by solvent abuse. The Bill is a big step in the right direction. Accordingly, I hope that the House will support it.

12 noon

Mr. Colin Moynihan (Lewisham, East): In speaking in strong support of the Bill, I hope that the message that goes out from the House is that the Bill extends much further than glue sniffing, to include all solvents where organic carbon-based substances produce effects similar to alcohol or anaesthetics when their vapour is inhaled, ranging from glues, paints, nail varnish removers, dry cleaning fluids and de-greasing compounds to propellant gases and fuels.

It is important to set the Bill in context. In my initial comments I should like to concentrate on the series of sensible developments that the Government have been processing since the beginning of the 1980s, leading up to this important and much-welcomed Bill. It is also important to place on record the fact that these initiatives have been strongly supported by Members of the Opposition as well. I am sure that the promoter and sponsors of the Bill intended this to be so—there is no doubt that the Bill seeks to take one step further forward Government action to combat solvent abuse.

It appears to me that the Government's strategy has, so far, been most beneficial. It must be right to improve prevention, treatment and rehabilitation measures. It must be right to develop yet more effective policing and enforcement measures, and particularly to increase deterrence. The Bill, when enacted, will be an additional tool in the armoury of deterrence which, directed specifically towards the community and retailers, will assist in reducing intoxication.

I emphasise the community aspect because, unfortunately, solvent abuse seems to become common in localised areas, as I know in my constituency. It is not uncommon in estates and schools. In Lewisham, where there is considerable urban deprivation, response to the problem requires the compassion, understanding and expertise of the local borough council officials in conjunction with the local police and the health authority as well as the schools.

Glues and most other sniffable products have been too easily made available in the shops. The law is right if, at worst, it does no more than alert retailers to the possibility of solvent abuse and legal action in connection with it. At best it should bring to the courts retailers who have aided and abetted in the horror of solvent abuse. Too few of them realise the consequences of their actions.

The media often highlight accidents and tragedies due to glue sniffing. Far more frequent deaths occur when the victim's head is covered by an airtight plastic bag. The point is simple. The real hazard to young people who sniff for intoxication is ignorance, doing something that is dangerous because the individual concerned does not know any better, with possibly fatal results. In the excellent research undertaken by Mrs. Backhouse, she said that one of the main dangers is placing a plastic bag containing glue right over the head, with the risk of suffocation. Not enough emphasis is placed and reflected in the press on that horror.

Another danger is sniffing in dangerous places where intoxicated youngsters face external risks—beside canals or railway lines or, as in my constituency, when they collect on benches near busy roads or in isolated locations where help is unlikely if things go wrong. There are risks in small, enclosed places such as cupboards, or in high buildings such as multi-storey car parks and flats. All those are areas where what is in effect a crime can happen, frequently through ignorance, and often with appalling results.

Mr. Lawler: One of the unfortunate spin-offs of solvent abuse is that, having sniffed, young people have a tendency to leave bags lying around which still contain glue and which even younger people might come along and inspect, and then try out the experience for themselves.

Mr. Moynihan: That is an extremely important and useful point. When I was working in Liverpool a case started for that reason. I am grateful to my hon. Friend for drawing that to the attention of the House.

It is also important to recognise the excellent work that is being done by a considerable number of local newspapers. I am glad that hon. Members have alluded to the work that is being done in their constituencies. I should like to add to their comments, and reflect on the detailed and serious investigations made in my constituency into the problem, not least in order to assist in rectifying future cases, deterring youngsters and advising parents on the implications of glue sniffing. Such work has been done by the *South London Press* and the *Mercury*. I am glad to have this opportunity to place that on record.

It is also important to take the campaign nationwide. I understand that the Government are currently undertaking a detailed investigation of the extension of their effective nationwide campaign, culminating in an advertising campaign which, I hope, will start shortly. I hope that if the Bill is enacted the campaign undertaken by the Government will publicise the aim of this specific measure, for we need to launch a major education and prevention campaign directed at young people, their parents, shopkeepers, manufacturers of the products and community leaders. We need the measure to increase

deterrence. It is therefore with great pleasure and honour that I lend my voice to those who have spoken in favour of the Bill, and I hope that it will be enacted.

12.7 pm

Mr. Robert Kilroy-Silk (Knowsley, North): The Opposition welcome and support the Bill introduced by the hon. Member for Tynemouth (Mr. Trotter). He is to be congratulated both on his luck in coming top of the ballot and on his initiative not just in introducing the Bill but in pursuing the issue over several months, if not years. He is also to be congratulated for the reasonable, balanced and informed way in which he introduced his Bill.

As hon. Members have said, the Bill has all-party support, including that of my hon. Friend the Member for Carlisle (Mr. Lewis) who gave the House a vivid and horrendous account of the difficulties that he experiences in his area. Like other hon. Members who spoke, he showed clearly that the problem of solvent abuse is difficult to define and even more difficult to tackle effectively and successfully. Little reliable information or systematic research evidence is available on the scale of the problem or the numbers involved. Every hon. Member who spoke alluded to the problems in his constituency, but not one — one understands the reasons why — could accurately estimate the number of individuals involved. That is a great problem, and one of the great difficulties that we face in tackling the problem in a systematic and organised fashion.

We all have to rely on press reports, usually of horrendous and terrifying deaths or crimes, on the evidence of drug agencies and doctors, and the impressionistic and anecdotal evidence of police, social workers and others, all of whom, certainly in my area, suggest that solvent abuse, not just glue sniffing, is on the increase among both those who are referred to as the experimenters and those who are becoming regular users.

For example, in Merseyside, my own area, the drug specialist of the Merseyside probation service, Mr. William Skelton, who is also the chairman of the Merseyside drugs council, says that there is a great deal of evidence on the extent of solvent abuse in all parts of Merseyside, whether the Wirral, St. Helens, south Sefton, or Kirkby in my constituency. However, those concerned cannot determine the size of the problem. They have no doubt that there are pockets of it and that where it exists it is increasing. The particular problem at the moment is that of butane gas.

Of course, on Merseyside, as elsewhere, the incidence of solvent abuse is probably declining because of the ease of obtaining heroin and its relative cheapness. That has largely overshadowed the problem of solvent abuse. However, that does not in any way derogate from the importance of solvent abuse and the significance that the House should attach to it.

Although our knowledge is limited, we know that solvent abuse is spread throughout the country. Indeed, hon. Members from different parts of the United Kingdom and different parties have all given evidence of solvent abuse in their areas. However, we know that it tends to be concentrated in urban areas, and in particular schools and housing estates, and specific pockets on those estates. We also know that solvent abuse tends to attract young peple, mainly boys aged about 16, who are already at risk in some way. If they are of school age, they tend to be truants and to come from deprived backgrounds. They also tend to be under-educated and inarticulate. Of course, some hon. Members have attested to the fact that solvent abuse transcends all backgrounds and includes the relatively privileged as well as the deprived. I accept that, but the facts, such as they are, demonstrate that abuse tends to be more attractive to those who are inarticulate, who are at risk, who are bored and who happen to be unemployed.

Not much allusion has been made to the fact that solvent abuse among young people causes great anxiety, distress and anguish to their parents. Parents are made to feel that they have failed their children, have failed in their upbringing, and have failed in imposing discipline and giving care and love. Parents experience a deep sense of hopelessness and find that great tension is created in their home by having a son or daughter who is a solvent abuser. Sometimes the parents need even more help than the abusers.

Those who abuse solvents can be divided into three categories. It is important to put the facts on the record so that we do not dramatise or overestimate the problem and do not become hysterical about it. It is also important to acknowledge that one of the main categories of solvent abusers involves those who are experimenting. They may use solvents for a relatively short time — perhaps no more than 12 months — and may not suffer any long-term deleterious medical consequences as a result. They may go on to a far more socially acceptable and possibly harmful abuse, such as that of alcohol. That probably goes for the majority of those who abuse solvents.

But there are also those who use solvents as adults use alcohol. They use them on a regular, controlled basis. Usually the same group of friends is involved in the same location. I am not in any way endorsing or apologising for that; I am simply describing the facts. Without describing and understanding them, we cannot learn whether this is a serious social problem or how to deal with it. There are some who seem to abuse solvents in a regular, disciplined and controlled fashion — if that is not an inappropriate description.

Finally, there are those about whom perhaps we should be most concerned. I refer to those who have developed a dependency not on the solvent but on the experience of being high on it. They are perhaps in the greatest danger and need the greatest help. Several hon. Members have mentioned the number of deaths not from solvent abuse but from the consequences of that abuse. For example, studies show that between 1971 and 1981 there were 169 deaths as a result of solvent abuse. The number of deaths increased to 104 in the year 1981-82. According to parliamentary answers, there were 57 deaths in 1983 alone. Indeed, an answer given on 3 February to the hon. Member for Halifax (Mr. Galley) shows not that glue or solvent abuse kills but that the consequences of solvent abuse kill in a horrifying manner.

The answer to that question showed that of the 57 deaths in 1983 attributed to solvent abuse, 20 were by asphyxia, nine by suffocation by plastic bag, 40 by the inhalation of vomit, two by hanging, five from drowning, and three as a result of multiple injuries, while other unspecified causes accounted for a further four deaths. I think that every hon. Member will acknowledge that those are terrible ways for young people to end their lives. It is an utter tragedy and waste for them to end their lives in such horrifying and horrendous circumstances. Unfortunately, many of our young people unintentionally

[Mr. Robert Kilroy-Silk]

end their lives in a most painful and distressing way. The distress, anxiety and pain that that causes to their relatives and families is unimaginable and immeasurable.

It is not just that the young people themselves are at risk from solvent abuse, or that they are at risk of death or of the permanent damage mentioned by the hon. Member for Peterborough (Dr. Mawhinney). Other people are also at risk. As has been mentioned, those who are hallucinating or who are high on solvents are likely to commit offences. Compared with alcohol or drug abuse, not many offences are involved, but nevertheless serious offences are committed. I think, for example, of the recent and tragic case of the young man who apears to have stabbed his mother and grandmother before killing himself.

What is to be done? As a first step we have the Bill proposed by the hon. Member for Tynemouth. But with respect to him — I do not say this in any sense of criticism or churlishness — the Bill does not address itself to the problem that I have described and that others have referred to. The Bill says that it will be an offence to supply solvents to those under the age of 18 if those concerned know or have reasonable cause to believe that they are likely to abuse it. That is a perfectly reasonable measure to take and the Opposition welcome and support it. We shall give the Bill a fair wind in Committee to ensure that it is on the statute book as quickly as possible. Of course, we shall want to talk about one or two things, but we do not want to delay the Bill.

The Government's initiative in negotiating guidelines with the retail trade over the way in which solvents are to be used in stores is also to be welcomed. On the evidence that I have, they are being widely adhered to. The Bill will reinforce those guidelines, and is to be welcomed for that reason. With the odd exception that we have heard about from the hon. Member for Peterborough, most retailers, both large and small, are reasonable, sensible and law-abiding citizens. The Bill will deal with only a few cases, which are nevertheless worrying. Obviously, it is wrong for anyone knowingly to sell solvents that young people will abuse. Such retailers are clearly evil, and even if there are only a few of them, we must take measures such as this to deal with them.

It may be asked why the Bill is necessary, as most retailers are reasonable and sensible and few would go out of their way to encourage such abuse. Perhaps, therefore, I should put on record in a way that has not been done so far the facts of the case that probably led to the introduction of this Bill.

The case came before the appeal court in Scotland in November 1983. Two shopkeepers could not at that time be prosecuted—and could not presently be prosecuted under English law. The two brothers ran a newsagents in Glasgow. Long before charges were brought the police learnt that sniffers attending a police-run clinic had obtained their supplies from that shop. During the trial it emerged that a search of the shop had revealed eight gallons of solvent, plus boxes of empty crisp packets and plastic bags. The solvent was sold in quarter or half-litre dollops, already placed in the bags. Police, social workers, parents, local councillors and community relations leaders visited the shop and asked the brothers to stop that practice, but to no avail.

It is obviously right that, in such circumstances, it should be possible to bring a prosecution in this country. That is what the Bill proposes and that is why we support it. There are not many cases such as that, but there have been some, such as that of the ex-policeman in Scotland who sold kits to young people, and the Patel family, father and daughter, who were doing the same in Huddersfield.

We must accept that the Bill is limited. After all, 39 per cent. of those who abuse solvents do not purchase them but steal them. A further 33 per cent. get someone else, usually an older person, to buy solvents and only 15 per cent. buy the solvents themselves. In any case, a wide range of easily available household substances can be used.

It would be wrong to attempt, by legislative means, to prohibit the sale of solvents to children, as suggested by the hon. Member for Ealing, North (Mr. Greenway). That would be ineffective. Moreover, it would be unreasonable to ask retailers to take on the responsibility of determining whether a person is above or below the age of 18 and whether he intends to use solvents for legitimate purposes. The hon. Member for Ealing, North prides himself on having some experience and knowledge of children. He said so in his rather churlish and headmasterly riposte to the Minister, yet he suggested that all punks who buy glue are glue sniffers. They are not. He clearly does not have experience of children or of those who dress and describe themselves as punks.

I know many young people who dress in what I regard as a bizarre way and who, in my experience and that of agencies with which I am associated, do a great deal of voluntary community work and play a substantial part in the community. They happen to have a peculiar fashion in clothes but are otherwise decent, sensible, law-abiding and reasonable young people. It is quite wrong — indeed, it is an offensive and unwarranted smear — to suggest that they or any young person who buys glue is a solvent abuser. It is perfectly possible for young people to buy glue or solvents for legitimate purposes. The hon. Member for Ealing, North is no more correct to argue that adding additives or aversants to solvents will deal with the problem. Many of the additives pose health risks and often interfere with the acceptability of the product to the legitimate consumer. That applies especially to hair sprays.

Of course we want to encourage manufacturers such as Dunlop and the makers of Evo-Stik to go further in finding additives that will not create problems, but we mislead them and everyone else if we suggest that the problem can be solved by imposing restrictions on sale or by adding aversants. Such action would merely drive young people to just as acceptable—for them—but far more dangerous substances.

We would not welcome, nor would we be prepared to support, measures that would criminalise solvent abuse. It is not that we like or endorse solvent abuse but that we believe that such a proposal would be counter-productive. It would drive the abuse underground where it is likely to be even more dangerous. The hon. Members for Peterborough and for Halifax talked of solvents being abused in public places. The practice is horrible, disreputable and distasteful, but if the abusers get into trouble, they can be seen and taken to a doctor or a hospital. If we make it an offence, abusers will go underground into [illegible] areas of our constituencies where nobody goes and where there are likely to be far more horrendous deaths.

We want the young people involved to seek help and to acknowledge, as the first part of their recovery, that they have a problem. If they accept that they need help they should not be deterred from obtaining it because we have made them criminals. They should not be threatened by criminal proceedings if they admit to being solvent abusers. We want them to go to the social agencies and to their parents and say, "Mum, Dad, I have a problem. I am sniffing glue, what can I do? What can you do to help me?" We all want that response but it will not be forthcoming if we make criminals out of them.

Another reason for not criminalising the activity is that we do not want to bring more of our deprived and vulnerable young people under the shadows of the criminal justice system. There are already too many. The more of them we keep out of those shadows and deal with through other means, the better. What we need is quite unglamorous and it is not an easy or ready answer. We need a long, patient and quiet process of improvement in the quality of our services and facilities. Above all, we must put greater emphasis on education. We should agree that a broad health education campaign in schools is the best method of preventing abuse. Information on solvent and drug abuse should be part of any education programme. We need a clearer Government commitment to a comprehensive education programme for children and adults, with a strong social and health education component, to help them identify and tackle solvent abuse.

As my hon. Friend the Member for Carlisle said, far more help is needed in educating parents as well as professionals. Parents are in the front line. It is they who have to take the real decisions and it is they who need the greatest help. They need to know what signs to look for, what help is available and who they can go to if they are unfortunate enough to discover that their children are solvent abusers.

There should be far more training. I believe that the Minister will acknowledge that the training which is currently provided to equip social workers and other professionals is inadequate. We should accord higher priority to training our professionals. Such training should become an essential part of pre-qualification courses and in-service training for professionals such as teachers, nurses, doctors, the police, social workers and probation officers. Hon. Members will have been surprised how many social workers, probation officers and policemen are ignorant on this issue, through no fault of their own, unless they have had first-hand, practical experience of identifying and dealing with the problems of solvent abuse. We need to build that training into their qualification courses and into vocational training after qualification.

We need more adequate services for drug abusers, of whom solvent abusers normally form a peripheral minority. To leave aside the hostels, which are not relevant to this matter, it is disgraceful that we have only seven drop-in street agencies in five cities where advice can be given on drug and solvent abuse. Such agencies need to be established on a far larger, more comprehensive basis so that every major city has an agency or advice centre where parents, children and professionals can seek assistance and advice.

The recent Government initiative to provide additional resources to voluntary organisations to deal with drug abuse is welcome, but inadequate. Although they are providing more than before, the resources are not nearly enough to deal with drug abuse, still less to get to the root of providing the necessary advisory services. A major problem of the package is that it expires in three years' time and will require the take-up of local authorities or voluntary associations to make it a reality in future. A permanent system of central Government funding tied to the provision of projects for drug and solvent abusers is needed.

Above all, we need to tackle the social problems. In many cases solvent abuse, like drug abuse, is only a symptom. In that respect the Bill may be an unintended handicap and lull people into believing that the problem of solvent abuse, if not solved, is being seriously tackled. Neither is true. We must not pretend that the Bill will do more than it can achieve, or mislead the House or public into believing that we are making a major and serious inroad into the problem, because we are not.

The Bill has its merits. It is welcome and important, but it will not stop glue sniffing, the terrible consequences of solvent abuse, or end the crimes and outrages that are often the consequences of abusing solvents. The answer is to address and identify abusers, to identify and isolate the causes of abuse, and to tackle those problems at their roots.

The problems include boredom, social deprivation and, not least, although mentioned by only one hon. Member, unemployment. The Government have a clear, genuine and direct responsibility to ensure that young people are not treated as worthless, told that they are of no account, or made to feel that they have no part in the future or success of our consumer-orientated society, or prospect of belonging to it.

That is an important point. In my constituency fewer than 6 per cent. of school leavers found full-time employment. Many of the others will marry, have children and spend the rest of their lives on the dole. They will inhabit the terrifying area of social and economic deprivation where there are no jobs and no social facilities. It is not surprising, therefore, that to break the monotony, boredom and apparent hopelessness of their lives, they resort to such practices.

In that context even Conservative Members will recognise that if the Government ensure full-time jobs for young people, which give them a sense of dignity, self-respect and worth and which will overcome their boredom, they would help both to solve the genuine and enduring problem of unemployment and make the biggest single contribution towards eradicating drug and solvent abuse. The Government should address themselves to that today.

12.34 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): Both as a Back-Bench Member and as a Minister, I have taken part in a disproportionately large number of Friday debates, and I believe that on Fridays the House of Commons shows itself at its best, which one cannot always say about the other days of the week, except of course for Saturday and Sunday, when we are not here. Today we have had an excellent debate in which there have been differences of opinion, but it is appropriate to have differences when discussing a difficult social issue. The debate was conducted in an excellent spirit and with widespread agreement across the Chamber, which augurs well for the Bill's progress through the House.

[Mr. David Mellor]

I congratulate my hon. Friend the Member for Tynemouth (Mr. Trotter) on introducing this Bill. He did not take up the subject simply because he had the exceptional good fortune to be drawn first in the ballot; he has been interested in it for as long as two years, after he became aware of the dimensions of the problem in his constituency. I was in correspondence with him for a long time before the ballot, and it was a special pleasure for me to see the outcome of the ballot. I thought that my hon. Friend would do something about solvent abuse, and I am delighted that he decided so to do and that we have been able to collaborate closely.

Another reason why I am glad that my hon. Friend had the good fortune to come first in the ballot is that he is one of the nicest Members in the House. Therefore, we forgive him even for the fact, to which he drew attention—unwisely, in my opinion — during his speech this morning, that he is an accountant. Most of us had either forgiven him for that or had forgotten about it. Accountants are held in no higher regard in this place than are lawyers——

Mr. Kilroy-Silk: Or barristers.

Mr. Mellor: The hon. Gentleman might be surprised to learn that barristers are lawyers. However, the reputation of lawyers was improved by the excellent speeches of the hon. and learned Member for Montgomery (Mr. Carlile) and of my hon. and learned Friend the Member for Leicester, South (Mr. Spencer). I can think of no better definition of the accountant than the man who goes on to the battlefield after the battle to count the dead and bayonet the wounded.

As well as the many serious points to which I shall refer, appropriately for a debate conducted in a spirit of friendship and a common attempt to come to grips with a difficult problem, we have had our moments of humour. I shall treasure for some time the use by my hon. Friend the Member for Halifax (Mr. Galley) of the word, "oomph". He has done much to make "oomph" a Parliamentary expression, although I do not know how *Hansard* will spell it. Will it be "oomph" or "umf"?

Mr. Galley: The Yorkshire spelling of the word is "oomph".

Mr. Mellor: I hope that the word will become part of my hon. Friend's contributions in the House. A senior Member once told me about the time that he chaired a meeting for Churchill. As Churchill approached the platform, he stopped and lit a large cigar. He waved it in the air and said, "My boy, never forget your trademark." My hon. Friend's trademark might be the word, "oomph", and no doubt he will enliven many a debate with it.

This is a distressing subject for us all because glue sniffing is a troubling phenomenon in many parts of the country. Indeed, like drug abuse, it has spread from the cities into areas where, as several hon. Members said, it was a surprise to see the phenomenon emerge. It is equally clear that what we say about the measures that we are discussing today, there can be no guarantee that we have found the key to prevent youngsters from becoming involved in such activities. We must try to address the matter in a common-sense way, eschewing easy solutions, trying not to sloganise and trying to come to grips with the reality of the problem. As so often with the subjects that we debate in the House, the problems are much more complex than some of us may have believed when we embarked on our consideration.

This is an important Bill that closes a loophole in English law. My hon. Friend has done well to close it. However, none of us would suggest that the Bill is in any sense the answer to the problem. It is not. It simply deals with, and punishes, those who try to exploit the weaknesses of young people. Many disreputable things are done in our community, but selling glue sniffing kits to the young is one of the most cruel and callous acts that I can think of. It would be an outrage if English law could not deal with it as effectively as the Scottish law did in the lamentable case of December 1983.

My hon. Friend the Member for Tynemouth would not claim that the Bill represents the whole solution. Nor is it —as some hon. Members have suggested—a beginning. It is not a beginning. It is the continuation of an enormous amount of work done by the Government, local authorities, voluntary organisations, retailers and manufacturers.

Very properly, the opportunity has been taken today not merely to commend my hon. Friend's Bill and to raise interesting and useful points about the dimensions of the problem, the possible penalties and so on—all questions that will be addressed in Committee—but to debate glue sniffing in more general terms. In that spirit, I should like to explain what the Government have been doing on this important topic. By coincidence, two important circulars were issued two years ago today, on 18 January 1983. I shall therefore begin at that point, although I do not mean to imply that that was the point at which the Government began to think about the problem. The circulars had been carefully prepared.

The circulars were part of an upgrading of the Government's efforts to deal with the problem, which have led to a number of initiatives. One three-page circular was sent to retailers' organisations. It explored the ways in which it was then considered that the problem of selling the products might be addressed. It dealt with the possibilities of controls on retail sales and supply, the use of the Misuse of Drugs Act 1971, the reformulation of products, warnings on packets and restricting possession or use.

The circular was sent to all the retailers' representatives that the Department had regular dealings with, or could identify, and it represented an attempt by the Department of Health and Social Security, the Home Office, the Department of Education and Science and the Department of Industry to co-operate in dealing with the problem.

On the same day, a lengthy and helpful seven-page circular was sent to 73 organisations concerned with criminal justice and voluntary work. It was sent to organisations such as the National Union of Teachers, the Police Federation, the regional health authorities, Release, Lifeline, the Magistrates Association, the London Boroughs Association, the National Association of Head Teachers, and the Association of Area Health Education Officers. It invited them to consider the wider issues of solvent abuse, to which the hon. Member for Knowsley, North (Mr. Kilroy-Silk) referred in a speech with much of which I very much agreed.

We have heard from my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg), who was the responsible Minister at that time, how much care and

thought were put into the work of the DHSS. The circular represented a recognition that, while the Government must establish the framework for dealing with such issues, they have no monopoly of clear thinking or sensible opinions. One cannot leave everything to the Government. Other organisations, and, indeed, every individual in the community, have a duty to respond to the problem.

Following the issue of the circulars, there has been a series of lengthy written answers from my hon. Friend the Under-Secretary of State for Health and Social Security. Answers appeared on 15 December 1983 and in May and July 1984, dealing with the range of initiatives taken by the Government. I do not want to detain the House by going through all of them, but I shall deal with some of the most important.

It was plainly recognised that there was a need for greater care in the sale of solvent-based products, but that there was no reasonable prospect of restricting the sale of solvent-based products to customers who were over a certain age. We all know how difficult that has been to enforce for cigarettes. It was also not possible to impose special restrictions on certain products.

I do not want to upset my hon. Friend the Member for Ealing, North (Mr. Greenway) because no one has shown more interest than my hon. Friend, with his warm heart and great commitment to resolving this problem. However, I and other hon. Members were anxious to tell him of our view that, although it has been called glue sniffing, and undoubtedly glue sniffing is the way that it began and is carried on by many young people, glue is not the only substance that is capable of abuse. Almost every product of which one can think, and certainly every aerosol product, is capable of being abused. Even butane gas has been abused. I do not wish to make the comparison, because both of them are profoundly silly things to do, but if there is a choice between inhaling some glue and spraying an aerosal into the mouth, which some young people have done and died as a result, the former is less dangerous. However, in the long term, both practices can cause damage, and sometimes death in the immediate term.

We produced guidelines for staff and managers of shops in the hope that this would help those who have a difficult judgment to make when selling products to customers. It is important to know that the retailers have co-operated on this, and the Government have tried to co-ordinate. The advice is written in everyday terms for shop assistants and, for instance, contains a helpful list of signs of a sniffer that would make a sensible, prudent shop assistant wary of selling a product. It says:

"Watch out for any or all of the following: groups of teenagers standing around counters or areas where glue or other solvent-based products are normally displayed.

Frequent purchase of solvent-based products and aerosols by the same individuals.

Traces or smell of glue or solvents on a customer's clothes or breath.

A drowsy, vacant or glazed expression in the eyes.

Unsteadiness, slurred speech or other signs similar to drunkeness.

Red eyes, heightened colouring and reddening spots around the mouth and nose.

Uncontrolled or excessive giggling or and rowdy/silly behaviour."

We should not let too many shop assistants into Prime Minister's Question Time. It continues:

"Purchase of plastic bags at the same time as glue or other solvent-based products.

Obvious absence by a child from school."

This was an attempt to put shop assistants on their guard and we relied on the good sense of retailers to distribute it. Similar guidelines were published for managers of shops to alert them to the need to start training and to locate abusable products on the higher shelves, and so on.

A number of hon. Members have commented on the ease with which it still appears that some shops are selling glue to young people in circumstances when they should be on their guard. I hope that that is not the case, but if it is, at the moment they are acting in clear breach of the retailers' undertaking to co-operate with this, and that fact should be made public by anyone who knows about it.

Although it is not for me to say precisely what the legal dimensions of the Bill that we pass will be, I confidently believe that if somebody sells a bag of crisps and a tube of glue to a person who appears to be a glue sniffer, there would be the requisite mens rea for an offence to be committed under the Bill. That reinforces the valuable work that has been done to make retailers aware of the danger of selling these products to young people.

Mr. Greenway: I accept that there is a wide range of abusable substances, but I ask that there be research into the way in which an abuse could be prevented by something within the substances themselves.

Mr. Mellor: The Government and the Home Office have sought to engage manufacturers in those useful discussions. I feel sure that manufacturers will do what they can.

My hon. Friend the Member for Ealing, North and I differ not over the point that manufacturers should not use their best endeavours to make their products as unattractive as possible to the glue sniffer, consistent with them doing the job for which they were intended, but that there was somehow some easy answer by putting in some chemical that would neutralise their attractions or cause aversion. On the best advice that I have, that is not a practical proposition.

Mr. Bill Michie (Sheffield, Heeley): I agree that the Government have taken positive steps, which have helped, and that retailers are co-operating. The Minister made the point about displays of products being put higher. There are practical problems in some establishments where the products can be easily obtained without being bought. The shops have their displays on counters which are too low. The Bill may help. I hope that it will remind retailers of their responsibilities. Local authorities or some other group should perhaps be checking retailers in their areas to see whether there are ways to keep such products out of arm's reach.

Mr. Mellor: The hon. Gentleman makes a valuable point. It is up to all public representatives to encourage colleagues and members of the public to take action if they see a shopkeeper behaving in a way that seems to be an invitation to make it easy for people to obtain the solvents or who is in breach of the guidelines.

It is important that we recognise that the Bill is intended to deal not just with those who, like the two Scottish shopkeepers, set out cynically to supply glue in return for stolen goods to people whom they knew were going to abuse it but to people who are wilfully blind in the way in which they carry on their business when a reasonable person would know that what they were doing would have

[Mr. Mellor]

the effect of allowing a substance to be used to obtain intoxication by the purchaser or some minor whom he would supply.

A number of colleagues have mentioned the use of other agencies. The Government agree. Circulars have been issued to the police, and efforts have been made to communicate with the social services and teachers to seek to improve the knowledge of those professionals of what glue-sniffing is all about and devise ways of counselling young people. There has been a film and a book is being produced. There should be better co-ordination at the local level, because I was upset, as I am sure we all were, to hear the case referred to by two hon. Members about someone who had a history of glue sniffing and who had been found unconscious at school but who nevertheless carried on and died.

It is not for me to comment on the details of a case of which I have no further information, but it is important to recognise that local services already have powers to act in proper cases. I draw attention to the role of the social services, and point to section 1 of the Child Care Act 1980 which requires social services to provide

"such advice, guidance and assistance as may promote the welfare of children by diminishing the need to receive children into . . .care."

That places on the social services a clear duty to assist in those cases where someone is behaving in a way that is on the edge of requiring action for a care order. One would have thought that persistent glue sniffing was as clear an indication of that as possible. We wish to get the social workers involved.

In more serious cases there is the Children and Young Persons Act 1969 which provides for direct intervention where a child's development or health is being prevented or neglected or he is in need of care or control. Glue sniffing as such is often an open manifestation of far deeper problems of a kind that would entitle social services departments to act.

It has been the wish of the Home Office to ensure that social services assist in that process. A circular was sent to the police designed to remind chief constables and police officers that although—for reasons that I find utterly convincing—we will not make sniffing as such a criminal offence, such people need help not punishment. There is no question that making glue sniffing a criminal offence would do anything but harm. I am grateful that that has been widely stated in the debate.

That does not mean that a police officer should walk by on the other side of the road when he sees a group of lads sniffing glue. He has always had the power to make a friendly intervention and take the child home. If the case seems more serious and he believes that the child is persistently involved in this practice, under the Children and Young Persons Act the police officer has power to take him to a place of safety, which may be a police station or a hospital. It has been the wish of the Home Office to encourage the use of that Act when chief constables wish their officers to become involved in the interdisciplinary response being made by many communities in getting police officers, social workers, probation officers and teachers together.

A further circular was issued by the DHSS to local authority social service departments last October. A leaflet for parents was included which I strongly encourage hon. Members to obtain and to pass on to worried parents. This carefully produced pamphlet was presented by the Health Education Council on the initiative of the DHSS and is intended to help parents to come to grips with the problem. It sets out to explain what glue sniffing is, the signs and dangers of it and what can be done. There is also a blank space for the addition of information as to where help may be obtained locally.

All this is part of what we believe is a measured and sensible response on the part of the Government, designed not to reinforce the attractions of glue sniffing by glamorising it. If a great many figures of authority seem to be banging on about something this often increases its attraction for groups wishing to demonstrate rebellious tendencies, which is frequently the motive for having recourse to these practices. Our measured response is designed to take on board the duty that we feel but also to encourage people in the community—parents, teachers, social workers, and so on.

I enjoyed the speech of the hon. Member for Yeovil (Mr. Ashdown). Of course youth workers have a role to play, but it should not be thought that increasing the number of youth workers and people of that kind will necessarily solve the problem. There are far more youth workers now than there were 20 years ago, when glue sniffing was unknown, so one cannot take the view that youth workers can prevent or cure the problem on their own. Nevertheless they can play an important role in assisting in the process of counselling young people who at a most turbulent time in their lives often do not receive the friendly assistance from an experienced guide that they need to help them over the difficulties that drive them into desolating experiences, such as going to some piece of waste ground and sniffing glue. One can scarcely imagine a more dreadful way for young people to spend some of the best years of their lives.

Of course, there are problems facing young people today and the Government are desperately anxious to address those problems. Nevertheless, in material terms the facilities available to young people today are far greater than those that were available to previous generations, including my own, which is not very far removed and that of the hon. Member for Carlisle (Mr. Lewis), whose contribution I also enjoyed. Young people are now rid of many of the fears of diseases such as polio and diphtheria, which no doubt carried off a number of the hon. Gentleman's schoolmates.

It is up to all of us in positions of authority—teachers, politicians and even, dare I say it, bishops—to try to concentrate on the positive aspects of today's community and the ability of young people today to use their energies and initiatives to create a good life for themselves. Too many people seem to see their role as communicators as being to depress young people, making them feel that they are living in a hopeless world under the shadow of the bomb and with nothing but a life of unemployment ahead of them. That is not the reality. We must snap out of that attitude and be positive. It is no wonder that so many young people get locked in misery when other people, even with the best of intentions, seem to wish only to reinforce that misery.

The signs are that we might be turning the corner. I do not want to emphasise that too much because I have been distressed, like all hon. Members, at the number of deaths caused by solvent abuse among young people. We rely on statistics revealed in an epidemiological study by the

department of clinical epidemiology and social medicine toxicology unit in the department of chemical pathology at St. George's hospital medical school which derives information from local and national newspaper reports and coroners. Its statistics are the best available, but one cannot guarantee that they are right in every particular. The statistics show that in 1980 29 deaths were caused by solvent abuse. In 1981 there were 45 such deaths, in 1982 60 and in 1983 80. That is an ascending scale that will trouble us all.

Although we cannot rule out the possibility of further unfortunate incidents, which have not yet been uncovered, in 1984 61 deaths have been confirmed as attributable to solvent abuse. That figure is still too high and I am not complacent about it but perhaps it shows that the efforts by parents, teachers, voluntary organisations and others who are concerned about young people may be helping us to turn the corner. We do not know whether this is a temporary hiccup or whether it heralds a long-lasting decline in glue sniffing. The number of deaths attributable to glue sniffing appears to have fallen for the first time in five years and that is welcome. Hon. Members and people with influence and authority in the community will do everything possible to ensure that the trend continues.

The Bill is designed to deal with those who prey on young people's weaknesses or who are wilfully blind to the obvious consequences of their actions. The measure is necessary and, in terms of age limit and penalties, meets the needs of the situation. I am glad to say that there have been few examples of the kind of behaviour that led the Scottish shopkeepers into court.

We shall consider in detail in Committee the matters that hon. Members have raised. We shall take a useful step forward in coping with solvent abuse by passing the Bill. In no sense will we solve the problem and we shall not be able to say goodbye to glue sniffing: but we shall take a valuable step. I hope that as a consequence of the debate we shall be encouraged to consider the wider implications of the subject and to believe that we have started on a wide-ranging series of initiatives that might enable us in the end to contain and control, and later to eradicate, this most damaging and troubling phenomenon that has blighted the lives of so many of our young people.

1.3 pm

Mr. Edward Leigh (Gainsborough and Horncastle): I should like to take up the theme in the latter part of the Minister's speech when he said that we seemed to be turning the corner. I have been in touch with the local police in Gainsborough and I am told that the problem is still heart-rending, but that in the past six or seven months they seem to have got to grips with it. Glue-sniffing is not the craze in the town that it was six months ago. It seems that the problem is reduced to a hard core. The police have achieved this success by persuading local shopkeepers to operate a voluntary code of practice.

The problem still exists and the police in Gainsborough welcome the Bill because they are in a cleft stick when trying to deal with the problem within the framework of the existing law. They cannot use the common law and charge people with breach of the peace because that can result only in someone being bound over. Sometimes the police take a young person home at 5 o'clock and by 5.30 he is out on the streets again. The police would like to have the power of arrest so that they can take a child back to the police station and, not necessarily charge him with an offence, but, having cooled him off in the police station, put him into care.

That is what the local police have told me, and I pass their comments on to my hon. Friend. I know of the difficulties that my hon. Friend has faced in framing the Bill. It is difficult to conceive how, in legislation, possession can be made an offence. It is not like possession of drugs; it is impossible to prove.

The police welcome the Bill as far as it goes, as I do. From my experience of and practice in the criminal courts —and my hon. Friend the Minister mentioned mens rea —I can see difficulties in establishing proof. It is based on the most difficult part of the criminal law, which is the establishment of subjective belief by the shopkeeper, retailer or seller that the person buying the product would abuse it. I do not envisage many prosecutions, but that does not worry me too much. Once we have a legal framework in addition to the voluntary code, that will no doubt instil caution in the minds of shopkeepers, which will be a useful exercise.

The Bill is an essential first step, and I welcome it. As my hon. Friend the Minister said, we shall deal with the problem better by the initiatives that the Government have already taken in their circular to professionals and to the police in January 1983, which has already achieved a great deal of success. If we can build on the framework of the Bill and the circular, and if my hon. Friend the Member for Tynemouth will take note of the comments of the police, we shall be on the road towards dealing with this heart-rending problem. I commend the Bill to the House.

1.7 pm

Mr. Trotter: With the leave of the House, I shall reply briefly to the debate. I thank all hon. Members for their contributions. There has been unanimous support for the Bill from both sides of the House and both Front Benches. The speeches have shown a great depth of interest in the subject and concern about the problem, and also how widespread that problem is. The attention of the House was drawn to the position in communities large and small, north and south, east and west—they all seem to face the same problem.

I was especially interested in the comments of my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg) who has a great knowledge of the subject from his previous involvement as a Minister dealing with the problem. He was right to draw our attention to the need to strike the difficult balance between sensationalism and being ineffective by not doing or saying enough.

I was also interested in the comments of my hon. Friend the Member for Peterborough (Dr. Mawhinney), who gave a graphic description of what I would call culpable negligence. I am not a lawyer, but I would describe as culpable negligence a large shop that constantly supplies bags of crisps and glue to local youngsters. The courts should, I believe, find that such conduct came within the definition of "reasonable cause to believe" so as to constitute a crime under the Bill

I agree with my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) that the Bill will have a deterrent effect. He wondered whether there would be any convictions. I understand that there have in fact recently been three convictions in Scotland. Only the first had national publicity because it made history. In a second case a shopkeeper was sentenced to 18 months and

[Mr. Trotter]

a third, odd case involved a former policeman from the Leith police—with the unusual name of Macsporran—who had been supplying glue to youngsters.

I have not carried out a hunt for deliberate sellers in the north-east. The people to whom I have spoken in the shops have been both reasonable and concerned. However, I hear tales that one can buy fish and chips and glue and hot dogs and glue in Newcastle. I do not think that anyone could possibly say that such a practice is anything other than what will become a crime under the Bill, and should be stopped.

I fully accept that the Bill will not put an end to the problem of sniffing. Undoubtedly, however, there will be a reduction in the ease with which glue can be supplied, which will lead to less tragedy than would otherwise have been the case. If, however, the result of passing the Bill——

Mr. Greenway: Does my hon. Friend share my great concern about the most ill-informed remarks of the Opposition Front Bench spokesman, the hon. Member for Knowsley, North (Mr. Kilroy-Silk)—I regret that he is not in his place—about what he described as the failure of educational institutions to encourage positive attitudes in children? It was a very poor performance in a very long speech.

Mr. Trotter: I bow to the great knowledge of my hon. Friend the Member for Ealing, North (Mr. Greenway). For many years he has shown great interest in the problems of glue sniffing and in the affairs of young people in general. I am delighted that he is one of the sponsors of my Bill. I pay much attention to his views.

To return to the main point of my remarks, the Bill will not stop glue sniffing. The need for the education of society about the problem will continue, as will the need for continued parental vigilance. However, the Bill will reduce the supply of solvents. Every tragic death that is prevented as a result of the legislation will make it worthwhile.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 42 (Committal of Bills).

Small Business Bill

Order for Second Reading read.

1.12 pm

Mr. Michael Grylls (Surrey, North-West): I beg to move, That the Bill be now read a Second time.

The essence of the Bill, which is somewhat novel in content—but we can come to that in a moment—is a conscious restraint upon the power of the Government. In considering the needs of the small independent firm, we believe that this is very important. It is a very short Bill. It provides the parliamentary mechanism for restraint of the power of the Government. A not very attractive phrase has been coined—deregulation—but it fairly accurately describes this mechanism.

It is common knowledge among those who think about the health of smaller firms generally that, by and large, small businesses do not want money handouts from the Government. They want to get the Government off their backs. The Bill will help to bring that about. Small firms want less government in their daily business lives.

I am greatly indebted to one of my joint sponsors, my hon. Friend the Member for Stafford (Mr. Cash), who has brought considerable political and legislative experience and skill to the preparation of the Bill. He has played a very important part in framing the Bill. If the deregulation programme rolls forward, as we hope that it will, small firms in general will owe my hon. Friend a very great debt.

I am pleased that the main organisations that represent smaller firms up and down the country—the CBI, the Institute of Directors, the Forum of Private Business, the National Federation of Self Employed and Small Businesses and all the main organisations representing small, independent businesses in Britain—are firmly behind this measure. I am grateful to many of those organisations which have helped enormously with the framing of the Bill.

The House will probably wish me to say something about the background to the Bill. As a result of all the legislation of the past 30, 40 or 50 years, it has to be recognised that Ministers and their officials must take responsibility for the impact of the legislation that they have been responsible for drafting. They cannot escape the concept of informed decision-making and the impact of those decisions on the smaller businesses.

I hope that when my hon. Friend the Minister speaks, we shall hear a firm commitment by the Government to a determined continuing review—a rolling programme—of all existing and new legislation. It is vital that that should happen if, in practice, the Government are to deliver their promise to aid, counsel, assist and protect the smaller firm.

I should like to make it clear that this is not a request for partisan legislation, but we need to tilt the economic legislation and environment in favour of small businesses and to overcome, by doing so, the inevitable and factual advantages of a concentration of economic power that large firms can enjoy. Uniquely in the western industrialised world—this is an important part of the economic and unemployment problems that Britain faces—we have allowed an over-concentration of economic power. That has resulted in greater difficulties for smaller firms.

I should like to refer to what happens in practice. The first knowledge that a small business man might have of

a Government regulation is when the Government inspector arrives on his doorstep, identifies himself and says that that firm has not complied with that regulation. Is that sensible? Why should the small business man have to go to the Government and let them know of the regulations that he finds a burden when the burden has been placed on his firm by the Government? It may well be in the natural scheme of things for large organisations to have regular communication with the Government, but it is not the nature of the small business man or woman to have regular contact with the Government; nor does he or she have the staff to do so.

The House also needs to appreciate that the intention behind the Bill and the Government's declared objective of simplifying the legislative burdens faced by smaller businesses is to reduce not the totality of legislation, but its damaging impact on smaller businesses. In clause 2(3) the Bill states that the Secretary of State

"shall take into account the underlying objectives of existing legislation".

The Bill is pinpointing the fact that the costs and benefits of legislation should be subject to continual review by all Government Departments. There should be a continuing justification for all legislation.

In the Bill we have made a suggestion—it is only a suggestion—that there should be an annual report to bring about the rolling programme of review. However, on reflection the House might think that an annual report by all Government Departments is not necessary, provided that a programme of deregulation is taking place. If the Bill is used as a mechanism, there will be a continual flow of statutory instruments simplifying the regulations along the lines that I have described. Therefore, the House might feel that there is no need for an annual report as well. It will need time to think about that.

In considering how the burdens on the small firm can be eased, the House must ask itself a simple but fundamental question: are the legislative objectives of a measure met by including all firms, whether large, medium or small, within one standard? Would it not be more practical to set the goals of that legislation and then to allow firms to find separate ways of meeting them, subject perhaps to a monitoring procedure?

In considering deregulation, hon. Members may ask why the same information should be collected by a firm that controls, for example, only one tenth of 1 per cent. of the market as by a firm that controls 30 per cent. of it. Looked at like that, it is clearly ludicrous. Yet that is the result of much of our legislation, and it is absurd. The legislative expense per unit or per pound of turnover is much greater for small firms. If the cost of implementing legislation is £10,000, it is easily absorbed and hardly noticed by large firms. However, for a small or medium-sized business, it is quite a lot to swallow.

I shall quote from a report written by probably the most knowledgeable expert on small firms in Britain, Mr. Barry Baldwin, who is a partner in the well-known firm of Price Waterhouse. The extract is relevant to the Bill. Mr. Baldwin says:

"Government officials in all departments must be made to think about small firms and the effects of proposed legislation and even if they decide that there is not a case to 'tier' legislation they must demonstrate that they have considered the problems created for smaller firms. In particular the timing and cost involved for the smaller businessman, to comply with the legislation and to achieve the goal of the legislator, must be fully demonstrated. It must be recognised that certain legislation can only benefit firms large enough to implement and meet the proposals. This emphasises the need for all social and economic legislation to be examined and justified in this way."

That is a very good summing up of the position.

As a starting point, could not the Government invite the trade unions, the employers and anyone else concerned with the good of independent businesses to set up a programme of identifying the burdens that they find onerous? That would be a good starting point, and the private sector would then be working with the Government in reviewing all legislation. It is important to recognise that the cumulative impact of duplicating and contradictory regulations imposed on small firms by central and local government is a considerable burden. In trying to bring about a review of the burdens faced by small firms we must look at that point.

Professor Galbraith has put the matter well. The United States has gone through the deregulation process and is beginning to have quite an effective programme. He said:

"All regulatory policy should have categories. Without retreat on regulatory objectives"—

it is important to emphasise that we are maintaining the legislation's main objectives—

"there should always be consideration of cost and reporting requirements for the small firm. By treating large and small alike, one treats them differently."

In considering whether the Bill can provide the mechanism whereby firms can get out of that quagmire of legislation, it must be borne in mind that the present situation inhibits new firms from starting and existing firms from expanding. It is not necessary to list the plurality of legislation that has built up relating to planning and reporting requirements on health and safety at work legislation to realise that some simplification is necessary. There might be a programme for simplification running over 10 years, but the sooner we get started the better.

It is inevitable that when we try to reduce the burdens on firms, proposals meet vigorous opposition from the existing bureaucracy and some politicians. It is time that Parliament recognised, through an Act of Parliament, that small firms have been hurt by inflexible, uniform regulations and over-zealous enforcement proceedings. We all know about that from our postbags. Such regulations are aimed at the smallest, and possibly the most defenceless, targets. The irony is that we shall depend on small firms for new jobs and a solution to the problem of unemployment which worries us all.

There is a conflict in that Whitehall and some sections of Westminster do not recognise that over-regulation is a problem because the people concerned have never had to cope with it. They have never experienced an inspector knocking on the door and saying, "Do you realise that you have contravened regulations, X, Y and Z?" The business man's face drains, although he has done nothing desperately wrong. His attention is diverted from his business to deal with the problem. We should remember that, of the 35 million new jobs that have been created in the United States during the past 15 years, only 6 million were in large-scale industry. The rest were in small firms. If we want a massive increase in new jobs, we must recognise that they will come primarily from the small firms sector.

I pay tribute to the work of my hon. Friend the Minister and his Department in trying to improve the climate. The Bill would enable him to push his work forward more quickly and to remove the burdens and obstacles about

[Mr. Michael Grylls]

which we hear so much. I hope that the House will give the Bill a fair wind to ensure that the process of deregulation can get under way quickly.

1.28 pm

Mr. Paddy Ashdown (Yeovil): The House will understand my regret at having to leave before the end of the debate, because this is the first time that I have spoken from the Dispatch Box. I apologise to the House for that discourtesy. I have already apologised to the hon. Member for Surrey, North-West (Mr. Grylls) and to the Minister. I am sure that the House understands that we all have constituency engagements and that there was no way in which I could have predicted that the Labour party would today, once again, abandon its responsibility as Her Majesty's Opposition. That leads to our having to take up that duty, which we perform as Her Majesty's responsible, if not as yet official, Opposition.

Mr. Alex Carlile (Montgomery): Before my hon. Friend moves to the meat of his speech, perhaps he will say whether he agrees that it is disgraceful not only that the Labour party Front Bench has not turned up for the debate, but that not one Labour Member is present to discuss small businesses, which employ many trade union members?

Mr. Ashdown: My hon. and learned Friend makes the point that I was about to make. I wish to make a short speech, because many hon. Members wish to speak, but I cannot let the moment pass without commenting on that matter.

The Labour party complains about the problem of unemployment, yet fails to be present to discuss a key item of Government policy which can do as much to reduce unemployment as most other items. That reveals its claims to care to be hollow, sham and rhetoric. Although we hear a lot about the Labour party's new move towards setting up a socially responsible enterprise economy, Labour Members are absent when we can discuss that matter.

I congratulate the hon. Member for Surrey, North-West on having obtained a place in the ballot and choosing this subject. We have had three debates on small businesses during the past few years, all of which have been on a Friday. It is an important matter, as the hon. Gentleman recognised when introducing the Bill, but it is a pity that we must consider it yet again on a Friday.

The alliance supports the Bill. The hon. Gentleman puts it in its right context by saying that it is designed to remove burdens from small industry. He rightly pointed out the expenses that small businesses have to carry to observe legislation. The Bill is designed to create a climate or a set of benchmarks for the Government to aim at and for us to prompt them to achieve.

I pay tribute to the Under-Secretary of State. He knows that we would have preferred to see a Cabinet Minister present. One of the achievements of the Lib-Lab pact was the appointment of a Cabinet Minister with responsibility for small businesses. No doubt the hon. Gentleman would like to be a Cabinet Minister in the near future. Nevertheless, the hon. Gentleman has dedicated himself to his task and identified himself in the public eye with small businesses. He has done a great deal, although not enough, within the terms of his job to pursue their best interests. He has generated energy in his task, which has the admiration of many hon. Members.

I have two reservations about the Bill. Clause 2(2) is a general statement, to which we can easily adhere and which we can adopt with enthusiasm, except for one small caveat. I suspect that some Conservative Members would see within the terms of the subsection the possibility, for instance, of amending the legislation where it touches wages councils. We would strongly oppose that. Wages councils are inadequate mechanisms to preserve the wages of the poorly paid. Nevertheless, they are the only available mechanism. In the absence of a more efficient form of mechanism, I would not like to see wages councils brought within that subsection. In many cases small businesses, regrettably and understandably, have to pay wages which are lower than they should be.

Secondly, in clause 4(3) we would prefer to see a positive, not a negative, procedure.

I shall make four points as briefly as possible. Three are points of detail, and one is about policy direction. First, I am delighted that the Bill includes provisions for Government procurement. Hon. Members on both sides of the House believe that Government procurement is one of the chief mechanisms to encourage small industry. I hope that the Minister will consider legislation, or at least a change in attitude, similar to that in America. It has had a considerable impact on small industries in America. I hope that the Government will address the matter soon, because it would have an equivalent impact here.

Secondly, as the Bill talks about the burdens on small industries, I should mention briefly the operation of the VAT authorities and the Inland Revenue. There is evidence that those authorities, following legislation to the letter, if not its spirit, proceed in a way that is frequently disadvantageous to small businesses. I know of cases in my constituency where those two authorities have sought to collect paltry sums from small businesses and have caused, or threatened to cause, their bankruptcy. That is to the advantage of no one: tax is not collected, and the employment that the business could generate vanishes with it.

Thirdly, the Bill should have included something about discriminatory discounts. I realise that the hon. Member for Surrey, North-West has drawn up a broad Bill and that the discriminatory discount problem is a specific one, but I must point out that it is a major problem for many small retail outlets. We hear much about monopoly producers in our society, but we do not hear enough about the power of monopoly purchasers. Many small retail outlets suffer significantly because the discounts given to large chain stores enable them to buy in and to sell goods at prices for which the small retail outlet cannot even buy them in. We need legislation in that area.

I admit—the Minister would no doubt pull me up if I did not — that although there is legislation for this difficult matter in America, it is inadequate. At all events, it is somewhat sensitive. I have considered the problem in some detail and can find no easy way to legislate on it. Perhaps we should draw up a code of conduct to deal with it. I hope that the Government will consider this matter, perhaps at the same time as they consider liberalising the Sunday trading laws, which may affect some small retail outlets. It would be a useful quid pro quo if the two could be considered together.

Fourthly, what worries small industries most is the direction of some of the Government's policies. I understand why they have encouragnd an increase in start-ups. They have been successful in doing so, and the number of start-ups has grown significantly as a result of their measures. I want the Government to begin to think not about the sexy area of small business policy. We can all measure the number of start-ups, see how they have progressed, and pat ourselves on the back for having achieved something significant, but it is at the point of expansion—after about a year or a year and a half—that assistance is most important.

The business expansion scheme provides some help at that time, but we need a shift in Government policy. It should be directed towards ensuring that existing small firms can survive, prosper and expand. Such a policy would not only help to reduce the current relatively high level of deaths, but might mean a quantum leap forward in terms of the employment and prosperity created by small businesses. It is at the point when a small business expands from one man to three or five, or changes its position in the market place in order to generate more profits, that a small amount of money—rather more than is currently available — could generate a significantly greater return.

The Government must study the life and death cycles of small businesses. I know that the Minister shares my view that we need more information in that area. We would not wish to place any extra burdens on small businesses in the form of paperwork, but we need more knowledge about their life and death cycles. A shift in emphasis would help small businesses when they are growing.

I congratulate the hon. Member for Surrey, North-West on bringing forward the Bill. The alliance will give the Bill a fair wind, although we may well suggest amendments in Committee. On behalf of the alliance — apparently operating, on this occasion, as the official Opposition—I welcome the Bill.

1.42 pm

Mr. William Cash (Stafford): The first words in the Bill are

"For the purpose of promoting enterprise and employment".

That is the object to which the Bill is directed and to which the Government are committed. Rapidly changing technology is bringing with it a significant change in the nature of employment. As in other countries in the industrialised world, including Socialist countries such as France and Spain, the current international economic climate has produced in this country unacceptably high unemployment. That has been inevitable. A similar situation occurred in the middle of the 19th century when the industrial revolution was developing and when the spirt of enterprise, harnessed to innovation and communication, provided the motive power for the expansion of small businesses and—yes—profits as people left the land in search of new jobs in the towns and cities.

I declare an interest in this. My great, great grandfather, William Cash, was chairman and founder of the London to Brighton railway, which was established in the 1830s. In 1835 he founded the National Provident Institution. I telephoned the NPI yesterday and was told that my great, great grandfather and his brother-in-law originally invested £10,000 and that the organisation is now valued at £1·6 billion.

Mr. Andrew Rowe (Mid-Kent): A good Cash return!

Mr. Cash: In those days, the economic and fiscal environment for enterprise enabled small businesses—they were all small businesses then—to grow and flourish. Of course, there were problems. The social conditions of those working in many of the new businesses were often appalling. That had to be put right, and our generation will not allow such problems to recur. However, we must continue to re-create a balanced economic environment in which new businesses can take root and expand and through which we can successfully compete in world markets and provide enough lasting jobs.

Without changes in legislation positively to provide that environment, I believe that we shall fail significantly to reduce unemployment and to achieve our other objective of a society more friendly towards free enterprise. That is why the Bill is important. Over the past 75 years or so we have generated far too much over-complicated legislation, much of which militates against the opportunities of small businesses to grow, especially when the wide functions conferred upon officials are used in an incompetent and bureaucratic way.

Having practised for many years in a field which includes administrative licensing law, I can assure the House that that law is easily misused and that it is very expensive to appeal. That is primarily the fault of the system. We must see the wood for the trees. I put enterprise before administration, although both are needed. We cannot afford administration if we lack enterprise, and too much administration stifles enterprise. I am sure that the Government recognise that, but the months are passing. I await the Government's new initiatives with interest. I hope that my hon. Friend will not mind my adding that I await the passage of legislation on such initiatives more than the announcement of them, and their success in practice more than anything else. We can and surely must not only remove the dead weight of such over-regulation as inhibits enterprise but provide a legislative framework in which it can flourish, as in the United States and Japan.

Opinions may vary about what inhibits enterprise, but I hope that the eventual decisions on the nuts and bolts will be based much more on a bias in favour of a freer climate than against. This will largely determine the outcome. The question is how to go about it. The Bill is a short one of four clauses—a small Bill for small businesses. I see it as a catalyst and a potential vehicle for a coherent legislative and administrative policy, which I feel sure we should all like to see. We surely do not want a mosaic of different amending Bills. That would clog up the parliamentary timetable and turn it into a legislative Russian roulette.

Moreover, the task of stimulating and reinforcing the motive force of free enterprise, already successfully encouraged by the Government, needs to be started as soon as possible, and preferably this Session. I do not believe that we could sensibly achieve our objectives within a single Bill to which is attached a schedule for repeals and/or modifications to legislation. That would be too inflexible and the schedule too obscure and complicated.

Furthermore, relatively few Acts contain the power to make orders amending provisions within those Acts that are sufficiently flexible to be used for the purpose that we have in mind. Anyway, it would be unsatisfactory for the

[Mr. Cash]

process to be conducted piecemeal, partly in one way and partly in another. The framework needs to be coherent if we are to have an effective and coherent policy. Therefore, I thought it reasonable to devise the Bill as an omnibus measure with maximum flexibility, providing that each Secretary of State will determine for himself how to proceed by taking

"such steps . . . as he considers are best calculated"

to help small businesses in the areas covered by the Bill.

Small businesses are affected by legislation in other measures such as directives and circulars, which have emanated for decades from other Departments. This is often stated, but by any objective standard, the quantity is simply devastating, particularly taking into account EEC legislation and statutory instruments. The volume and rate may be slowing down, but the edifice is still very much there. I invite hon. Members to spare a moment to look in the Library at the vast space devoted to the statute book, statutory instruments and EEC legislation. Not all these measures affect small businesses, but I defy anyone to claim that he knows which do and which do not without a thorough and continuing review.

There is also the question of prospective legislation. Each Secretary of State must retain specific responsibility for all legislation, within the Cabinet and within his Department, including prospective EEC legislation. I recognise the problem of EEC directives and regulations. In a figurative sense, small business activities cross the vertical lines of each Department horizontally. The need for co-ordination is recognised by the important appointment and functions of the Under-Secretary of State for Trade and Industry.

I do not say that this Bill is without imperfections, but the same can be said of all Bills. The volume and complexity of our statute book is good evidence of the need for such a measure. Amendments can be dealt with in Committee or in a subsequent draft. I see the Bill as a catalyst or as a vehicle for the overall objective. I would be concerned greatly—as would others who support the objectives that I have adopted—by an attempt to avoid the central thrust and framework of the proposals by any invisible "Sir Humphrey" or "Sir Pedant", if there are any in real life, who objects to the main political objectives of the Bill or who falls back on the well-worn clichés about technical drafting matters. I am sure that this should not be allowed to happen if we are to avoid and reduce unnecessary over-regulation. I prefer the expression "avoid over-regulation" to the expression "deregulation".

We are trying to strive and battle for the future prosperity of the country, and I for one will back the Government 100 per cent. in this endeavour. Small businesses can play an essential role in this and in the reduction of unemployment. It may be difficult to achieve the balanced but necessary legislative change that we seek, with some duty being achieved through Parliament of the kind set out in clauses 1 and 2.

The legislative review must be done in-house within Departments concerned with a constant and co-ordinated rolling programme, with proper regard for the health and safety of those engaged in small business and the underlying objectives of existing similar legislation and with the benefit of pre-consultation with those affected.

Clause 2(2) is known as a "Henry VIII clause" under which Acts of Parliament may be amended, special provision made or exemption granted by statutory instrument subject to the annulment procedure. That would provide the flexibility that I have mentioned within a single omnibus Act. The objection sometimes taken to such clauses—that they amend by order—is, in my view, overriden by the real and urgent need to accelerate the cutting of a path through the maze of provisions that we have inherited. A small business includes the self-employed individual as well as the small company, but that must be determined by each Secretary of State.

Small businesses vary in size and character according to different sectors of economic activity. I hope that the Minister and the Government will view the Bill as a constructive and positive attempt to stimulate debate and analysis of the means of relieving the legislative-related burdens on the small business man. We hear too much negative and pessimistic talk these days, and that has a gradual and persistent adverse effect upon the confidence of those who are out of work and in work and on young people who want to work. We want to try to reverse those trends.

One of our greatest assets is the independent-minded, productive and innovative risk takers. They have in the past made our country one of the greatest economic forces in the world. We can and must continue to provide them with an environment for enterprise in which they can help to rebuild the confidence of the people of this country in themselves and, in these times of great change, our national confidence in a world in which we must create the conditions in which we can compete on more equal terms with our rivals abroad.

Small businesses cannot on their own achieve all that, but if the legislative and fiscal climate is right they will be better able, in co-operation and partnership with larger enterprises and by sub-contracting from them in a truly competitive environment, to expand their operations. At the same time, by their very nature, they will be able to adjust themselves to rapid change in the modern industrial scene. That has happened in Japan, as recent surveys have shown. Comparisons with the United States on the basis of other recent surveys, perhaps suggesting that interest rates, inflation and taxes are the only real problems facing the entrepreneur, and implying that legislative burdens are not as serious as they are here, overlook the fact that since at least 1953 the United States has effectively tackled the problem of over-regulation. As William Nicholls said in 1983 of United States policy towards small business:

"Running through the US system was a single strand of political will."

With the excellent and enthusiastic efforts of the Minister with responsibility for small businesses and his Department, we are on the same course here, and the Bill is part and parcel of the endeavour.

1.52 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): Like others who have spoken, including my hon. Friend the Member for Yeovil (Mr. Ashdown) I support the Bill and the direction in which it goes. I am glad of the opportunity to speak because the area that I represent in the Highlands and Islands of Scotland may not be one that people would immediately associate with small business. However, what would be large businesses elsewhere in the country tends to be small in that part of Britain.

I agree with what other hon. Members have said. Small business provides perhaps the biggest stimulus for future

long-term employment. I shall give some idea of how the Highlands and Islands are involved in that. The Highlands and Islands Development Board covers just one aspect of small business. Industrial and business support, through manufacturing services and tourism, in terms of direct grants and loans, support or professional advice, has been given to 464 businesses in 1982, 677 in 1983 and 625 in 1984.

The number of jobs created or retained as a result of the HIDB's presence in what one might generally describe as manufacturing services was estimated to be about 1,800 in the financial year 1983-84. Given the comparative sparsity of population and the high levels of unemployment in some areas, the sponsoring of that number of jobs in small businesses is greatly to be welcomed, as I am sure the Minister will agree.

Nevertheless, unemployment in the area is still appallingly high. The highest travel-to-work unemployment ratio in Scotland is in the Sutherland area, and the Invergordon-Dingwall travel-to-work area in my constituency has the third highest unemployment level in Scotland, with more than 25 per cent. In addition, there are the traditional areas of persistently high unemployment on the west coast, on Skye and in the Western Isles, where the reasons are historical and theoretical as much as economic. In Lochaber, too, unemployment has continued to increase.

One reason for the rise in unemployment has been the recent rapid decline in major industry, especially the closure of the Invergordon aluminium smelter and the pulp mill at Corpach near Fort William. There is clearly an urgent need to rejuvenate industry to pick up the unemployment that has resulted. The national case for public investment in the infrastructure also applies very much in the Highlands and Islands. I strongly agree, however, with the view of the chairman of the HIDB, Mr. Robert Cowan, that the small business sector will be the mainstay in securing stable, long-term employment prospects and any measure that will encourage that sector is greatly to be welcomed.

I especially welcome the Bill's emphasis on the reduction of complexity as it affects small businesses. That is a crucial factor. Clause 2(1) *(c)* seeks to ensure that all administrative measures and so forth are reviewed annually and that the need for simplification and amendment is constantly monitored. I am sure that the small business sector will welcome that. The suggestion that that rolling review should be dealt with in annual statements to Parliament by Ministers would allow hon. Members to raise specific problems that have arisen in their constituencies and in the small business world generally as well as focusing the attention of Government and civil servants on areas in which further simplification could take place. That proposal is therefore very much to be encouraged.

I have raised this in the Committee now discussing the Social Security Bill, but I hope that at some stage the Minister, who is also conducting his own review, will give us his views on the extension of the statutory sick pay scheme now being proposed and the additional administrative burden that it will impose on small businesses, especially those with fewer than 10 employees which in my area are nevertheless very important. The further accumulation of paperwork will clearly impose a considerable burden on the small employer. Moreover, delays in reimbursement by the DHSS, especially in rural areas in the winter months, when revenue from tourism is reduced and statutory sick pay is most likely to be needed, may involve sums equivalent to the entire profit made by a small business during that period. That encourages more small businesses to take on part-time employees. If more full-time jobs are to be created the burden must be reduced.

This is a good measure which we fully support. We wish it success.

2 pm

Mr. John Browne (Winchester): As chairman of the Conservative small business committee, I pay tribute to my two predecessors, Mr. John Loveridge and my hon. Friend the Member for Luton, South (Mr. Bright). They had a substantial influence on the Government, who have introduced beneficial legislation in the past five years which has improved the environment for new and small businesses.

I congratulate my hon. Friends the Members for Surrey, North-West (Mr. Grylls) and for Stafford (Mr. Cash) on the drafting of the Bill. They did a superb job. I was pleased to hear the speeches by the hon. Members for Yeovil (Mr. Ashdown) and for Ross, Cromarty and Skye (Mr. Kennedy), who expressed support for the Bill on behalf of the alliance.

Since 1979 the Government have achieved enormous results in improving the climate for new and small businesses. Much has already been achieved. We now have the most lenient tax regime for investment in new and small businesses in the OECD, including the United States. I pay tribute to the Minister for his considerable role in that achievement.

Although much has been achieved, we must remember that before 1979 Governments of both major parties discriminated against new and small businesses. That happened for 30 years, so there is a massive backlog to deal with. Much has still to be done.

I support the Bill, because it is designed to keep up the momentum of Government policies. I make no excuse for supporting the Bill, despite the fact that it will obviously require added effort by the Government. As I have often said, the future of our nation as a developed society depends implicitly on a successful and vibrant atmosphere to encourage new and small businesses in wealth creation and employment.

In the first and second agricultural revolutions—the use of enclosures and machines on the land—and in the heavy and light industrial revolutions, we were in the lead. We tended to shun the technological revolution, but we must embrace it, as we have in the last five years, if we are to create the wealth necessary for us to remain a developed society.

About 66 per cent. of all new jobs are created by companies with fewer than 200 employees. In the United States in the last five years 29 million jobs have been created by small businesses. That speaks for itself. We must improve the climate if we are to construct one of the most important planks necessary to create genuine employment, which is usually highly paid.

The supporters of the Bill are flexible, and I hope that the Government will regard the Bill as friendly. I hope that they will use, adapt and, if necessary, take it on. As my hon. Friend the Member for Stafford said, the definition of small businesses causes confusion. That area must be honed down in future.

[Mr. John Browne]

I want to make a plea, through my hon. Friend the Minister, to our right hon. Friend the Chancellor of the Exchequer. The Wilson report correctly pointed out the enormous availability in this country of capital for investment and the dearth of investment opportunities. What the report did not say, and what needs to be rammed home even to this Government, is that the capital exists. The problem is that it is mostly debt capital. New and smaller businesses need equity capital. We must make that definition. The capital in the hands of massive institutions that lend money is entirely different from the capital that accrues in the pockets of people who are used to buying shares and taking equity positions in companies. I urge the Chancellor to continue to break down the tax discriminations that have existed in favour of the institutions and against the individual and to encourage the accumulation of equity funds as opposed to debt funds.

I also urge the Chancellor, in his Budget, to tackle the employment problem on a dual front. Tax thresholds should be lifted so that it is worth while to work. There is an awful marginal stage when it often does not pay someone to work. Secondly, my right hon. Friend should alleviate the problem of taxes on employment, such as the massive employer's contribution.

The Government have already made great headway in encouraging not only entrepreneurs but a whole climate for new and small businesses. I thank the Government and congratulate my hon. Friend the Minister on his very significant part in that. I thank my hon. Friends the sponsors of the Bill, which I hope the Government will take very seriously as it is based upon consultation with industry and many people who represent what is within industry. It is based also upon strong support from Back-Bench Conservative Members. I hope that it will be treated as a supportive Bill, not one of criticism. I hope that the Government will use the Bill. I wish the Bill all success.

2.7 pm

Mr. Andrew Rowe (Mid-Kent): I am proud to declare an interest. I am both the editor of a small magazine called *Small Business* and a vice-chairman of the Small Business Bureau. I am delighted to support the chairman of that bureau in the promotion of the Bill.

With one or two exceptions, Ministers and civil servants have no intention of declaring war on small firms. They have the prosperity of small firms at heart. However, sometimes there is a slight jealousy of their freedom of movement that results occasionally in an unsympathetic view of some of their difficulties in filling in returns, but that is a very minor phenomenon. What goes wrong is almost always by misadventure rather than malice. The Bill provides a real opportunity to correct that problem.

One of the difficulties is that Government Departments have a particular objective that they wish to fulfil in a particular piece of legislation. In order to smooth the passage of that legislation, they minimise the wrinkles, difficulties and imperfections and go single-mindedly for a particular objective. I shall give one example of something currently under discussion which, if my remarks are not taken into account, will be a great blow to small businesses.

It is proposed that building society mortgages on mixed shops and residences and on small guest houses should be included in the lending category, which would mean that the amount of money available for lending would be restricted. Yet many building societies have a great deal of experience of satisfactory lending to small businesses. I believe that this is the kind of example of damage done by misadventure which needs to be examined.

Similarly, the definition that somebody is no longer self-employed if he has only one major employer needs to be looked at very carefully. Many adults are perfectly capable of making their own tax returns and social security payments. For this to be added to the burden already placed upon employers rather than being placed upon such people is unnecessary.

I could not agree more with my hon. Friend the Member for Surrey, North-west (Mr. Grylls) about the great damage that is done to small firms by the levying of charges, whether for Government inspections, or for returns of one kind or another, or for licences. Although this is an understandable and commendable search for simplicity, in one way it is enormously regressive, because the small one-man or two-men business finds itself paying the same kind of charge as the large business. As a proportion of total turnover, that is unacceptable. Therefore, the Bill, which will demand that Ministers come to the House and explain exactly what they have done during the year to make sure that the operations of their Departments do not damage small firms, seems to me to be a wonderful step in the right direction, and I wish it every possible success.

2.11 pm

Mr. Lewis Stevens (Nuneaton): I very much welcome the Bill. It introduces the concept that all of the legislation concerned with small businesses should be looked at in detail. A commitment to try to ease the problems for small businesses, particularly over the volume of legislation, is absolutely necessary. The Bill will not result in the selection of a particular section of the Department of Trade and Industry. It will embrace all Departments that are involved in framing Government legislation which affects small businesses. That means nearly all Departments. It will therefore help to make improvements for small businesses.

Everybody recognises how important small businesses are to our economy. It has been recognised by the Government, for they have introduced enterprise allowances. The Government also recognise the need for help to be given to small businesses by enterprise agencies. In my constituency, the Warwickshire enterprise agency has given excellent advice and help to small companies and to those who are considering setting up in business. However, the amount of legislation which affects small businesses is very difficult to understand. Therefore, it deprives small companies of the enthusiasm to expand. There are both real and imaginary fears about what they can do. Therefore, small companies are deterred from taking the necessary step towards expansion.

The legislation goes beyond that. It leads to the failure of some small businesses. Because they do not understand the legislation, and because the cost of obtaining advice is in some cases so high, small businesses cannot sort out the legislation and then get caught up in various legal procedures. Consequently, their businesses fail. If the Bill means that small businesses can be confident that the legislation has been simplified and that they stand a better chance of understanding the legislation, we shall increase

their chances of success and their enthusiasm to move forward. We shall thereby increase the development of small businesses, which are so important to the country.

One area in which legislation is most punitive is in the vital sector of manufacturing. In some cases, it is comparatively easy to run retail industries and companies, but once one becomes involved in manufacturing—the wealth-producing part of the nation which we rely upon and must develop—the problems are more complex and difficult. Those people often have problems persuading banks and run into difficulties. With the confidence and understanding that simplification could bring about, we could see a great improvement. In principle, the Bill will allow that to happen.

In the Bill there is a principle to commit the Government and the Civil Service to look at past legislation and protect future legislation. There is a commitment to report and for various actions to be monitored. That is a principle that the House should support wholeheartedly.

2.15 pm

Mr. John Prescott (Kingston upon Hull, East): I should like to ask the Minister a question as he has responsibility for small businesses. We would all welcome any Bill on business activity which encourages the reduction of unemployment. Small companies have certainly done that, although there have been many bankruptcies in the past few years.

Yesterday I visited the Greater London council. The Greater London enterprise board is a body of the GLC that actively encourages small businesses. It has already created hundreds, and, with them, thousands of jobs. Therefore, we welcome what the local authorities are doing. However, the Government are considering scrapping the GLC, so that activity might be scrapped as well. Perhaps the Minister will tell us whether the GLED will be left out, because he is known to be an advocate of enterprise boards.

I should like to ask the Minister about a matter that I raised with the Secretary of State when we debated unemployment on 15 January. I inquired about the role of Lord Young, who is examining how to help small businesses. I have access to a document that shows that the Department is considering reducing some of the costs on small businesses, possibly by abolishing statutory rights on unfair dismissal, redundancy pay, aspects of race relations, equal opportunities, the Truck Acts and maternity leave. Is the Department really considering getting rid of those obligations on small businesses as a way to help them?

2.16 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): I congratulate my hon. Friend the Member for Surrey, North-West (Mr. Grylls) on his success in the ballot. I also congratulate him and right hon. and hon. Members on their admirable objectives in presenting the Bill, which concerns what I believe to be the most important subject that the House could consider—small businesses.

It is clear from the excellent contributions by my hon. Friends the Members for Surrey, North-West, for Stafford (Mr. Cash), for Nuneaton (Mr. Stevens), for mid-Kent (Mr. Rowe), and for Winchester (Mr. Browne), and by the hon. Members for Yeovil (Mr. Ashdown) and for Ross, Cromarty and Skye (Mr. Kennedy) that they have a good understanding of many of the problems that can beset small firms, and I warmly welcome their resolve to change public attitudes, raise the status of the small entrepreneur and ensure that we have a thriving small firms sector.

I am particularly grateful to the hon. Member for Yeovil for his compliment to me. If it is of use to the hon. Member for Ross, Cromarty and Skye, I can tell him that an assurance was given by my hon. Friend the Minister of State when he wound up the debate on regional policy last night that the whole of the Highlands and Islands Development Board area will be covered by European regional development fund aid. I assure the hon. Member for Kingston upon Hull, East (Mr. Prescott) that I shall refer to my noble Friend Lord Young of Graffham. I shall try to spell out his responsibilities.

Those of us who are strong advocates of small businesses do not support them because of some starry-eyed sense of nostalgia. We passionately believe that small firms have an essential part to play in revitalising the economy and creating new and lasting jobs.

The debate gives me the opportunity to pay a warm tribute to my hon. Friend the Member for Surrey, North-West for the significant contribution that he has made to the small firms sector, particularly in his capacity as chairman of the Small Business Bureau. It would be churlish of me not to acknowledge the contribution that other hon. Members have made in this important sector. I refer, for example, to my hon. Friends the Members for Mid-Kent, for Winchester and for Nuneaton. I am anxious that the House should recognise that my hon. Friend the Member for Stafford, whose experience in parliamentary draftsmanship is well known, has spent considerable time in assisting my hon. Friend the Member for Surrey, North-West in preparing the Bill.

It will come as no surprise to the House when I say that the general purpose of the Bill is consistent with the Government's objectives of encouraging the small firms sector. A considerable number of new initiatives are currently taking place in the small firms sphere. They include such important exercises as the efficiency unit's scrutiny of administrative and legislative burdens, the internal exercise of the Department of Trade and Industry on repackaging schemes and other initiatives that will be brought forward by the committee of Ministers, is chaired by my noble Friend Lord Young of Graffham who has special responsibilities in the Cabinet for enterprise. Perhaps I could have the attention of the hon. Member for Kingston upon Hull, East because I should like to point out that those are Lord Young's responsibilities. The meeting of Ministers that he chairs is a Cabinet committee and all matters affecting small firms are discussed.

I very much hope that the work on those initiatives will be concluded by the spring. It would be wrong for me to speculate as to the detail of those initiatives. At this stage we are not sure whether legislation will be necessary. If it is, it may be worth considering a co-ordinating mechanism for bringing these initiatives forward. Several hon. Members have made suggestions that should be considered. It is, of course, the Government's wish that many of the representations made today by hon. Members and by many of the small firms' lobby groups should be satisfied. If that were not so, the considerable effort that has gone into the initiatives I have referred to would have been a complete waste of time.

[Mr. David Trippier]

The reasons why we must continue to bring forward new initiatives should, by now, be obvious. In the United Kingdom our history warns us against the neglect of the small business and of the dangers of fashionable phrases such as "big is beautiful". The industrial revolution started in the United Kingdom and spread east and west, and in time, we, like others, came to overlook the fact that the original enterprise and innovation sprang from small independent business. We have had to learn the hard lessons of an overdependence on large business.

We have also had to learn a very painful lesson. Too many regions in the United Kingdom relied, through their emphasis on big firms, on too narrow an industrial and commercial base for generating their employment and prosperity. That tended to ignore the fact that change is an essential and enduring feature of an economy. I understand that there is now some conjecture as to who coined the immortal phrase

"England is a nation of shopkeepers".

Certainly the phrase has not applied to us for some considerable time. Although it is now clear from the statistics that the net growth in start-ups is at the highest level ever recorded, we still have a long way to go and much more needs to be done to encourage these important people.

It is no coincidence that small businesses have been encouraged for a longer time and seemingly in a more effective manner in the countries that are our more successful competitors. As hon. Members have suggested, the more active the small firms sector, the greater are the chances of achieving the higher rates of innovation that characterise the more successful economies. We need their diversity, flexibility and innovative strengths if we are to sustain and benefit from the industrial recovery that Britain has worked so hard for during the past five and a half years.

Again, as hon. Members have suggested, there are numerous examples of cases where small firms have been disadvantaged as against bigger businesses. We must do something constructive to encourage large firms to pay the bills of small firms on time. I am examining that.

Government purchasing can produce major problems for small businesses. We have improved small firms' access to Government contracts—I referred to some of them in a parliamentary reply on 19 December. Information is now more readily available to small firms concerning what Government Departments buy and the procedures. My Department and others have published booklets for them. Some of the procedures have been eased. For example, for contracts under £10,000, firms are normally exempt from approval procedures and much of the financial and general information that firms must provide when seeking approval has been standardised between Departments. That has resulted in a dramatic reduction in form filling. We have cut out red tape but there is much more to be done. A report that proposed improvements in Government purchasing has been published recently. My right hon. Friend the Prime Minister has recently agreed to set up an expert team to help Departments make improvements in planning, to streamline processes, to improve the skills of purchasing staff and to achieve closer liaison with suppliers.

We know how successful small firms are in winning public sector business. A study of that is being conducted in the Ministry of Defence and the results will be extremely useful. One of the most important things that Government can change is the quantity of legislation and regulation that small business men find burdensome and regard as a disincentive. My hon. Friend the Member for Surrey, North-West mentioned that and it was developed by my hon. Friend the Member for Stafford. We are working to disengage Government from industry. Small business men are busy enough without having to dance to the tune of Government Departments in filing their returns and complying with regulations. The Government are already responding — we have scrapped more than 1 million statistical returns in the past five and a half years.

In my determination to try to reduce the bureaucratic burden on small firms, I decided to produce two flow charts showing the requirements that had to be checked and, in many cases, complied with, by anyone thinking of setting up in business on his own, and those thinking of employing only one person. There are no fewer than 99 different regulations, many of which read like a bad horror story. Reading those regulations, it is surprising that we have 1·3 million small businesses.

To reduce bureaucratic burdens and to stimulate further small firm development, my right hon. Friend the Prime Minister announced that a burdens scrutiny exercise would be commissioned. We are now in the middle of it. The Government acknowledge that small firms are disadvantaged in certain regards but I believe that small firms suffer from weaknesses on a much broader front. The weaknesses are caused principally by overstretching limited management time and resources and by difficulties in attracting sufficient capital investment, as my hon. Friend the Member for Winchester said. Our aim has been to help firms over those weaknesses so that they can exploit their strengths and compete on equal terms with larger businesses.

Our anxiety about the lack of capital investment led us to introduce schemes such as the business expansion scheme and the loan guarantee scheme. I must confess that I was staggered to hear the impressive figures on the business expansion scheme that my right hon. Friend the Chancellor announced the day after his autumn statement. The figures confirmed our view that it is the most revolutionary financial scheme that the Government have introduced in the past five and a half years. He told the House that at least £75 million had been raised by small businesses under that scheme in the fiscal year 1983-84. More than 10,000 investors put their money into more than 400 small companies, and the scheme helped to provide investment in both small and large amounts. Thirty per cent. of companies raised £50,000 or less, and 60 per cent. raised between £50,000 and £250,000. A few raised more than £1 million each.

I was especially pleased to see that well over half of the total amount invested—at least £41 million——

It being half past Two o'clock, the debate stood adjourned.

Debate to be resumed upon Friday 25 January.

Private Members' Bills

MOTOR-CYCLE CRASH HELMETS (RESTRICTION OF LIABILITY) BILL

Read a Second time.

Bill committed to a Standing Committee, pursuant to Standing Order No. 42 (Committal of Bills)

FABRIC ORIGIN MARKING BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 1 February.

ROAD TRAFFIC (PRODUCTION OF DOCUMENTS) BILL

Read a Second time.

Bill committed to a Standing Committee, pursuant to Standing Order No. 42 (Committal of Bills)

STANDING CHARGES (ABOLITION) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 15 February.

PREVENTION OF FRAUD (INVESTMENTS) ACT 1958 (AMDT) BILL

Order for Second Reading read

Hon. Members: Object.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Second Reading what day? No day named.

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 22nd January, the Motion relating to Supplementary Estimates 1984-85 may be proceeded with, though opposed, for three hours after it has been entered upon and Mr. Speaker shall then put any Questions necessary to dispose of proceedings thereon, if not previously concluded. *—[Mr. Archie Hamilton.]*

Hon. Members: Object.

Ambulance Services (North-East England)

Motion made, and Question proposed, That this House do now adjourn.*—[Mr. Archie Hamilton.]*

2.31 pm

Mr. Roland Boyes (Houghton and Washington): I am glad to have been successful in the ballot for an Adjournment debate and to be able to raise the matter of public disquiet at the plans of the northern regional health authority, which I shall refer to as the health authority, for the reorganisation of the Northumberland ambulance services, which I shall refer to as ambulance services.

My hon. Friend the Member for Sunderland, North (Mr. Clay) first raised the problem in an Adjournment debate on 3 November 1983. Regrettably, today he and my hon. Friend the Member for Jarrow (Mr. Dixon) have important constituency business in the north-east and cannot attend the debate. My hon. Friend the Member for Sunderland, North painted a gloomy picture when he described in detail the reorganisation plans of the health authority for the ambulance services. He also described many serious incidents, in which patients using the ambulance services experienced massive problems. Because he described the reorganisation plans so adequately, I need only give a short summary, sufficient to put my comments into context.

The ambulance service is in the final stages of its reorganisation plan, in which a two-tier ambulance service is introduced. One tier is to deal with accidents and emergency cases, and the other with domestic patient transport. The plan, of which this is a part, is described in the document: "The case for a better ambulance service", which was sent to me by the health authority in December 1983.

The document made it clear that the number of ambulance men would be reduced to 467 from 577. That has been achieved because men who have not retired or taken redundancy pay are described as supernumerary; the number of vehicles was reduced by 95 to 161, which comprises 46 emergency ambulances and 115 standard sitting case vehicles; and because up to six ambulance stations were closed.

It is incredible and unacceptable that there should be only 46 ambulances for the whole of Northumberland and Tyne and Wear, which have a population of 1·5 million and a geographic area in excess of 2,000 square miles.

I wish to bring a specific closure to the Minister's attention. I am grateful to my hon. Friend the Member for Wallsend (Mr. Garrett) for telling me about the major problem at Prudhoe ambulance station. I have read carefully the case presented to the Minister for Health by Prudhoe town council. I understand the anxieties of the elected members and believe that they have a strong, just case that is supported by Tynedale district council and Northumberland county council to retain a full ambulance service at Prudhoe. I have seen a letter to the right hon. and learned Member for Hexham (Mr. Rippon) from the deputy mayor, Mrs. Garrett, and Councillor Mannion, which explains that the major changes were made at Prudhoe before the Minister had decided its future.

I have also been informed by the council that the present arrangements at Prudhoe lead to great difficulty. I could quote other examples, but the following illustrates

[Mr. Roland Boyes]

what can happen. On Sunday 13 January 1985, an ambulance was called to deal with a young man following a house fire in Prudhoe. However, between midnight and 8 am, there is no ambulance cover at the station. A policeman took the boy to hospital in Newcastle, which is 12 miles away, and had returned to the scene of the accident before an ambulance arrived. There is a clear need for a 24-hour fully manned service; otherwise there could be fatalities.

The Minister might be wondering why I asked for another debate on the subject so soon after the previous one. The answer is simple. It reflects the continuing concern of Labour Members in the northern group who represent constituencies covered by the ambulance service. Sunderland borough council, the National Union of Public Employees and ambulance men are just some of the interest groups involved. All those organisations and many other groups and individuals, especially patients, have expressed opinions since the previous debate. I shall cite only cases that have occurred since the previous debate to justify my decision to ask for an Adjournment debate on this matter.

During 1984, the northern group of Members has had many meetings with officers and elected representatives of the health authority in London and Newcastle. Members left none of those meetings with their fears for the future of the ambulance service allayed. My experience is that the anger of my hon. Friends is increasing. The northern group secretary wrote to the health authority in December 1984 asking for a further meeting, and the reorganisation of the ambulance service will be a major topic on the agenda. During our many meetings the health authority has been unable to produce convincing arguments or evidence that the plans would work, or that the prople whom we represent were unjustified in fearing the worst. On several occasions during the past 12 months, I have requested details of the criteria to be used by the ambulance service to monitor the new system, but to date I have received nothing.

A report produced by Sunderland borough council illustrates the anxieties of the people in the borough. Under the headlines in the *Sunderland Echo* in January 1984,

"Ambulance shake-up under fire",

and,

"Sunderland Council slams ambulance service reshuffle",

it is reported that a "grim prospect" report has been prepared. The report states:

"The plan for a two-tier system would produce a particularly severe risk of lack of emergency cover in the Washington, Houghton and Hetton areas. In Washington, for example, the level of service proposed to be provided in relation to vehicles and personnel will be similar to that provided in 1965, when Washington was still considered a village and its population was about 19,000. With the development of the new town, the population has increased to more than 50,000."

Although it was not my motivation for introducing the debate—I am concerned for all areas where there are ambulance services—the Minister should be aware that I have just described my constituency.

The report also mentions something that I can confirm from conversations with ambulance men, exclusively outside their working hours. Morale is low and falling. The *Sunderland Echo* report mentions "bitter reaction" from "ambulance men", and states that "staff moral would plummet". This week I was told that to say that morale is low is an understatement. It has never been lower. I was told that I could not exaggerate how bad morale is at present. Recently I talked to two drivers who were so fed up with the service they had to give to patients that they gave up and left the ambulance service. I cannot overstress the importance of changing the situation. I am told that matters have deteriorated continuously since the announcement of the restructuring. I talked to a number of ambulance men before Christmas, and it was made clear to me that the introduction of the domestic vehicle had had an accelerating downward effect on the morale of many of the men. They felt that, after years of loyal service, they had been downgraded.

The situation was not improved when, in March 1984, the health authority threatened to discipline ambulance men found to have spoken to the press. In March 1984 the Newcastle *Journal* said that this was because the men had "mounted a large scale publicity campaign to win support from the public for their opposition to the plans".

Steve King, the divisional officer of the National Union of Public Employees, said that it was a disgusting insult to his members to try to gag those who opposed the plans.

I am also aware of public concern. In different ways, people make their concern plain to me. A constituent of mine organised a petition against the new plans and collected 12,000 names. A number of other petitions have been organised in the area and in March 1984 it was reported that six petitions had attracted 44,000 signatures.

The health authority invited comments on its proposals from interested parties. There were more than 60 responses, and the vast majority were highly critical.

My hon. Friend the Member for Sunderland, North has alleged that the reorganisation plans were a cash-saving exercise. In its report "The case for a better ambulance service", the Northumbria ambulance service states that "although almost incidental" savings are estimated at £1·6 million a year. I am sure that the Minister will be as puzzled as I am by the phrase "although almost incidental". I could dwell at length on its absurdity and illogicality. Like all health authorities, the authority has to save money to satisfy the policies of the Government. We would have understood the reorganisation programme better, although we would still not have agreed with it, if the health authority had openly and honestly told hon. Members and other interested parties that the new plan was a cost cutting exercise, that certain savings levels had to be achieved, and that the ambulance officer was planning a new system of operations to comply with his new budget targets.

Mr. Steve King was quoted in the Newcastle *Evening Chronicle* in December 1983 as saying:

"It is an endeavour to whitewash the threat to patients which will result from the authority's desperate attempt to save money at the expense of the community as a whole."

We have now experienced the new two-tier ambulance system. I must make it clear that the system was introduced without the agreement of the work force. An official dispute is still in progress and the shifts are being worked under protest.

The emergency ambulances are still of the conventional design. However, the domestic vehicles are unrecognisable as ambulances. They have lost the red stripe, the blue light and the name plates. Most important of all, radios were not fitted initially to the ambulances. The domestic vehicles had no means of contacting headquarters. One

ambulance driver told me what he had been told to do if he came across an accident while driving one of the domestic vehicles. He was to stop, wave down a passing car, ask the occupants to ring for an ambulance, and wait with the injured party until an ambulance arrived.

Following the reaction from the men, it has now been decided to equip some vehicles with radios. I understand that some spare radios were available. The men are still not allowed to drive along with the radio switched on. The driver may switch on the radio only if he encounters an accident and needs to contact his base.

The Minister must already be asking himself what would happen if a serious accident occurred very close to a domestic vehicle but just off the road on which it was travelling. Clearly the answer is, nothing. The driver cannot be contacted by the base because his radio is continually switched off. This is absurd and ridiculous.

I had a letter earlier in the week from a person living in Newcastle who poses the question of what would happen in the case of a major disaster. Clearly, vehicles with experienced and skilled ambulance men would not be reached, and according to this correspondent, the health authority is not interested in discussing this situation.

My constituency is served from two ambulance stations, one in Washington and one in Herrington. With the assistance of the health authority, I have seen a number of response times to ambulance call outs. I am greatly concerned that the two stations are consistently outside the ORCON standard times. The implication of this is clear and simple. My constituents are in serious danger when they require an ambulance urgently. In one nine-week period which is representative of all the weeks that I analysed, the Washington and Herrington stations reached the ORCON standard response times on only four occasions out of a possible 36.

In the document "The case for a better ambulance service", the health authority wrote that taxis, hire transport and hospital car services are commercially engaged to carry 47,720 patients a year. If reorganisation proposals are accepted, this work could be done by the experts—the ambulance men. However, I have been informed that many taxis are still being used, sometimes as many as 60 to 100 a day. Recently, a patient had to use a taxi and required two drivers because of the nature of his illness. Taxies are often used to make long, expensive journeys. This would suggest that staff in the service and the number of ambulances should be increased, not decreased. I hope that the Minister realises that there is genuine concern in the north-east about what is happening.

I have a series of questions for the Minister, all related to the matters that I have raised. Is he as concerned as I am about the way in which the ambulances in my constituency have consistently failed to achieve the Orcon standards? The new arrangements will save £1·6 million a year, according to the health authority. Should not this figure be reduced, and more emergency and accident ambulances employed if there are risks to life? Does the Minister agree that all ambulances and domestic passenger vehicles should be fitted with radios and that those radios should be switched on at all times to avoid domestic passenger vehicles passing by close to a serious accident? Is the decision to introduce a vehicle that does not resemble an ambulance a step towards the privatisation of that part of the service?

Is the Minister concerned about the low morale of many in the service, because, along with doctors and the fire and hospital services, the ambulance service is a life-saving service? Although I have not seen it myself, the press inform me that the ambulance service claims in its latest report an increased patient ridership of about 5 per cent. However, will the Minister check on how often patients are late in arriving at hospital and how long they have to wait to be returned to their homes?

The ambulance authority will not inform Members of Parliament what criteria it will use to decide whether or not the new arrangement is successful. Except for the cash saving aspect, will the Minister issue new guidelines on this matter? Will he let me know what is happening about the Prudhoe ambulance station, because the local community is anxious to retain a level greater than one emergency ambulance between 8 am and midnight, and will he investigate the incident that I mentioned? Will the Minister investigate whether there is an excessive use of taxis by the authority, sometimes in inappropriate circumstances, which is being used regardless of age, or fitness of the patient?

Is the Minister satisfied that 46 ambulances are sufficient to cover the people in the vast geographical area that I have described? Is the Northumbria ambulance service being used as a test bed for schemes to be introduced into other areas. My hon. Friend the Member for Newham, South (Mr. Spearing) told me this morning that similar proposals are being considered for the London ambulance service. Will the Minister visit the north-east to carry out a full inquiry into what is happening? Only in that way will my hon. Friends and I, the ambulance staff and users find some satisfaction.

2.49 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Patten): I am obliged to the hon. Member for Houghton and Washington (Mr. Boyes) for the constructive way in which he made his remarks, for the interesting criticisms that he has made and the way in which he has represented the views put to him, including those of ambulance drivers who have given up their employment and of town councillors.

I am sure that the hon. Gentleman is aware that in the 10 or 11 minutes left I cannot do justice to the considerable selection of questions that he rightly posed on behalf of his constituents, his hon. Friends and those who work for the service but I undertake as soon as possible—and that means as soon as possible—to reply to his points in as much detail as I can.

The bounce and vigour with which the hon. Gentleman made his speech does him credit because I understand that at 3.40 this morning he was giving as good as he was getting in the Local Government Bill Committee.

Although I have said that I shall not attempt to answer all the hon. Gentleman's questions, I should like to have a preliminary skirmish with a couple of them to show him perhaps the flavour of the replies that he is likely to receive. I should like to pick one question — the response time of ambulances called out to emergencies and how quickly patients' needs are met.

I listened carefully to what the hon. Gentleman said about ambulance stations. I appreciate that he was not speaking solely on his own behalf but on behalf of his three hon. Friends, who are equally interested. The two ambulance stations most central to his constituency are New Herrington and Washington. The figures that the

[Mr. John Patten]

hon. Gentleman gave to add credence to the fact that standards might not be as high as they should have been are completely different from the figures that I have.

I have the figures for December 1983 and December 1984 showing the percentage of calls responded to within 14 minutes. The hon. Gentleman will agree that that is the accepted standard. At the New Herrington station in December 1983 it was 83 per cent. and by December 1984 it was 95 per cent. At the Washington station it was 83 per cent. in 1983 and 90 per cent. by December 1984. That reflects on the excellence of the authority's new plan and the way in which it is working, and the staff's wholehearted commitment to make the plans work better.

The number of people employed, how many ambulances and ambulance stations there are, do not matter. They are of interest and people have vested interests in them, which rightly need protecting. The only thing that we should be interested in is getting patients from A to B. It does not matter whether 46 ambulances are right or wrong. What matters is that patients are carried from A to B as quickly as possible in times of emergency and that call-out standards continue to improve. If there is a particular case which the hon. Gentleman wishes to draw to my attention in detail, I shall study it in detail. The figures that are available to me today show that there are considerable improvements in the standard of service to patients. In saying that, I do not deny that the local community and the people who work in the ambulance service have a proper interest. Of course they have.

That enables me to answer at least in part one of the other questions raised by the hon. Gentleman — the potential closure of the main Prudhoe ambulance station. That is under careful consideration by my right hon. and learned Friend the Minister for Health and myself, and on his and my own behalf I take this opportunity to congratulate the town council on its excellent submission, which was logical, rational and coherent. I should be grateful if the hon. Gentleman would tell the council that. We are thus able to make our decisions on the evidence available from our own advisers and on that provided by those who represent the local community.

The overall plan against which the hon. Gentleman's comments must be set is based on the regional health authority's plan to subdivide the ambulance service into three parts — support services, communications and operations. At the same time, the health authority considered very carefully the number of staff and vehicles needed for emergency and non-emergency work. There is, of course, considerable debate as to whether the entire ambulance service should be regarded as an emergency service, but there is not time to go into that today. The regional health authority is satisfied that improvements will not only be possible but have already been possible, despite a 28 per cent. reduction in the total number of vehicles and a 14 per cent. reduction in staff.

I have already given figures showing that call-out times have improved during this period of change in a service primarily concerned with individual people's lives and welfare. Almost as important as the improvement in that aspect is that more than £1 million per year is being saved to be spent on patients in need in other parts of the local health service. More patients are being dealt with in quicker call-out times. Yet a formidable ongoing saving has also been achieved. The ambulance service itself has also been divided into two sections, both of great importance — the emergency sector and the non-emergency sector.

I wish to reassure the hon. Gentleman and his constituents that the standards to which they have been accustomed will not be reduced. As I hinted in relation to the two stations that I mentioned, early results show a marked improvement in the emergency service. It would be pointless for me to deny that there were problems in the non-emergency service during the first few weeks but I understand that they are rapidly being rectified. Certainly, I know of no problems with the emergency service.

Call-out standards have shown a formidable improvement because the regional health authority has set high standards. Nationally agreed standards for the speed of response of all services state that 95 per cent. of all emergency calls should result in an ambulance at the scene of the accident within 14 minutes in metropolitan areas and 20 minutes in county areas. The regional health authority, however, has taken the view that people in rural areas are entitled to the same standard of service as their metropolitan counterparts in great cities such as Newcastle and has decided to apply the higher metropolitan standard to all areas. That in itself is a token of the determination of the health authority and ambulance authority to ensure not just greater efficiency and savings but a positive improvement in service to the patients, whom the people who work so hard in the ambulance service strive to serve.

I should say at this point that I greatly admire the way in which those who work in the ambulance service have responded so rapidly in the current very severe weather conditions. I am sure that the whole House will agree that the way in which all the emergency services have responded is an object lesson in high professional and service standards.

In conclusion, there is some area of disagreement between us on the policy. I hope that experience will show that it can be bridged. I am concerned about the detailed cases to which the hon. Gentleman has referred and I wish to answer as accurately as I can the questions set out at the end of his speech. I shall try to respond on both points as quickly as possible.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

House of Commons

Monday 21 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

Mr. Gareth Wardell: On a point of order, Mr. Speaker. I am sorry to delay our proceedings, but I seek your guidance on a procedural matter. I tabled a question to the Secretary of State for Wales, which was transferred to the Secretary of State for Transport. It initially appeared as question No. 1 on the Order Paper. I seek your guidance, on two points. First, is it procedurally correct that it should now appear as question No. 16 on today's Order Paper? Secondly, if we reach that question today, will the Secretary of Transport, or one of his Ministers, be here to answer it?

Mr. Speaker: The hon. Gentleman is correct to say that his question now appears as question No. 16 on the Order Paper. I am not responsible for the transfer of questions. However, if we reach question No. 16 today, the Minister should be here to answer it.

Regional Policy

1. **Mr. Roy Hughes** asked the Secretary of State for Wales what representations he has received from Gwent county council concerning the Government's review of regional policy; what reply he has sent; and if he will make a statement.

The Secretary of State for Wales (Mr. Nicholas Edwards): The council has written to me about the results of the review as they affect Gwent. My reply makes clear the Government's commitment to a more cost-effective regional policy concentrating on the needy areas and the creation of jobs. Gwent will continue to be well placed to compete for new investment.

Mr. Hughes: Does the Secretary of State appreciate that Gwent cannot understand the logic of cutting £60 million from the regional aid budget for Wales merely to provide tax concessions for those in the south-east of England? As a result of the changes, will there not be increased competition from Bristol, Swindon and the west midlands? How on earth are we going to put those 180,000 people back to work?

Mr. Edwards: Many of the representations that we have received, including those from the Wales TUC, believe that financial assistance should be related to jobs rather than wasted on very large capital projects without any consideration of the relationship to jobs. We are making substantial savings by not financing the renewal of plant, which should be funded by companies out of their normal expenditure. Gwent will be well able to compete, not only because of the many advantages that it has for incoming industry, but because its northern part has the top level of assistance available. Elsewhere, through selective assistance, it will be able to offer a very attractive package of aid.

Sir Raymond Gower: I agree that it is desirable that regional assistance should be geared to jobs rather than to capital exapansion. However, will the new arrangements be open to any reconsideration should the worst criticisms of certain people be realised in any respect?

Mr. Edwards: The Government will always keep the progress of their policies under review. The cost-per-job limits under the revised system are about twice the average level of investment by companies. Therefore, there should be plenty of scope for significant investment, even with those cost-per-job limits.

Mr. Gareth Wardell: As Newport, in the county of Gwent, has been demoted from development area to intermediate area status as a result of the recent changes and has consequently lost its regional development grant, can the right hon. Gentleman tell us what percentage of Gwent's working population were in receipt of, or eligible for, regional development grant before the changes, as well as giving the current figures? We know that in Wales the cut has been from 90 to 35 per cent.

Mr. Edwards: In making that last statement the hon. Gentleman has shown that he does not understand that we are now dealing with a two rather than a three-tier system. Therefore, such a comparison is not relevant. I cannot give the hon. Gentleman the specific figures that he seeks, but if he tables a question I shall try to provide the information. Since 1979 more than £23 million of selective assistance has been given in the Newport travel-to-work area for projects valued at more than £166 million in order to provide about 7,900 new jobs. That shows the considerable value of selective assistance in attracting new investment.

Coal Industry Dispute

2. **Mr. Ray Powell** asked the Secretary of State for Wales if, since his reply of 10 December, he has met the chairman of the National Coal Board to discuss the current state of the dispute in the coal industry.

Mr. Nicholas Edwards: I met the chairman of the National Coal Board on 14 January.

Mr. Powell: I thank the Secretary of State for his reply. It is encouraging to know that he has at last met the chairman. On 10 December he said that he had not met the chairman since the start of the dispute, on 6 March, until that day. Is the right hon. Gentleman aware that in Ogwr borough numerous jobs have been lost as a result of the mining dispute? The right hon. Gentleman has said that no jobs have been lost since March. We know that jobs have been lost. The right hon. Gentleman should have taken an initiative to try to resolve the dispute. I hope that he will attend a meeting to be convened with the Secretary of State for Energy this week.

Mr. Edwards: I never said that jobs would not be lost. Indeed, I always said that other industries, notably the

transport industry, were likely to be affected by this damaging strike. That is why I have urged the hon. Gentleman to press the members of the National Union of Mineworkers to return to work. I shall attend the meeting with my right hon. Friend the Secretary of State for Energy later this week and listen to the points made at that meeting.

Mr. Anderson: Is the Secretary of State aware of the depth of depression caused in Wales by his economic policies? For example, the indices of house prices show that we alone in Wales had no increase in house prices over the past year. Is it therefore surprising——

Mr. Speaker: Order. The hon. Gentleman's question does not have much to do with the chairman of the NCB.

Mr. Anderson: Is it therefore surprising that miners are fighting for their jobs and their communities, given that background of depression? Will the right hon. Gentleman look at the definition of "economic pits" to ensure that social considerations, such as the future of our mining communities, are taken into account?

Mr. Edwards: I shall be happy—and so will the NCB—to look at the definition of "economic pits" if Mr. Scargill is also prepared to look at and discuss the definition of economic pits and to negotiate about them. His refusal to do so consistently throughout the dispute has got us to the present situation.

Mr. Hubbard-Miles: Is my right hon. Friend aware that at the commencement of the strike the miners of south Wales voted 70 per cent. against taking industrial action, and that, had the NUM leadership listened to the grass roots of the mining industry, there would have been no strike?

Mr. Edwards: It is deplorable that we still have not had a ballot, but 40 per cent. of the members of the NUM have voted with their feet and gone back to work, and another 1,700 members of the union returned to work today. That is why there is apparently a sudden interest among the leaders of the NUM to negotiate. I hope that they will negotiate about the real issues that are now before us.

Mr. Barry Jones: The Secretary of State's attitude is not encouraging, given the importance of the dispute and the critical situation that it has now reached. Will the Government encourage a negotiated, principled settlement that will heal divisions in our society? Does not the whole nation look to the Prime Minister and the Cabinet to display statemanship in their attitude to a dispute that encompasses much suffering?

Mr. Edwards: Of course we shall encourage a negotiated settlement. I think that there have been seven rounds of negotiations so far, in which Mr. Scargill has not moved one inch. That is why we are in our present position. The NCB has moved. It made it clear in its negotiations with NACODS that it could reach a settlement that offered a sensible future for the industry and its further development.

Aberystwyth (Ministerial Visit)

3. **Mr. Geraint Howells** asked the Secretary of State for Wales if he has any plans to make an official visit to his Department's offices in Aberystwyth during the next three months.

Mr. Nicholas Edwards: Not at present.

Mr. Howells: I am sure that the Secretary of State is well aware of the fact that most of his staff at his Department's offices in Aberystwyth speak Welsh. To safeguard the future of the Welsh language, has the right hon. Gentleman any plans to update the 1967 legislation dealing with that language?

Mr. Edwards: I have no plans at present for changing the legislation.

Dr. Roger Thomas: Although the right hon. Gentleman is perhaps fighting shy of visiting Aberystwyth, will he pluck up enough courage to go there to see at first hand the dairy farmers of west Wales, who are in an especially severe plight and who might be able to influence him to go to Brussels for the next round of negotiations?

Mr. Edwards: I do not need to go to Aberystwyth to meet the dairy farmers of west Wales, because for many months I have met them almost every week, and I am fully aware of their views. As recently as last Friday I met the leaders of the Farmers Union of Wales and the National Farmers Union.

Mr. D. E. Thomas: Is the right hon. Gentleman unwilling to go to Aberystwyth because of the number of posts lost in the Department's offices in Aberystwyth since he became Secretary of State?

Mr. Edwards: The hon. Gentleman is wrong to suggest that I am not willing to go to Aberystwyth. I frequently go there. I simply do not have any plans to visit my Department there during the next three months.

Dr. Marek: Does the Secretary of State accept that centralisation of various public offices in Cardiff, which is a long way from mid and north Wales, is unhealthy? Will the right hon. Gentleman give the House an absolute assurance that the Welsh Office agricultural department will remain in Aberystwyth?

Mr. Edwards: I have no plans to change the present arrangements. A large part of the agricultural department is situated in Aberystwyth. It is important that members of the agricultural department should be in close touch with other offices during the other important Government negotiations that occur in Cardiff and London. That is why we have the present arrangements. The Forestry Commission plans to concentrate its management on Aberystwyth.

Coal Industry Dispute

4. **Mr. Raffan** asked the Secretary of State for Wales if he will estimate the damage to the Welsh economy caused by the miners' strike.

11. **Mr. D. E. Thomas** asked the Secretary of State for Wales if he will make a statement on the effect of the mining dispute on the economy in Wales; and if he will make a statement.

Mr. Nicholas Edwards: While the economy in general is coping well, there is an increasing impact on those sectors which serve the coal industry and on small businesses in mining areas.

Mr. Raffan: Does my right hon. Friend agree that, because the latest CSO statistics show that the miners'

strike is depressing economic growth by 1·5 per cent., and because every aspect of economic policy should be directed towards the reduction of unemployment, as the shadow Chancellor said last week, it is extremely damaging, totally illogical and contemptibly hypocritical for the Labour party to support a strike that prevents the creation of desperately needed new jobs in Wales?

Mr. Edwards: I agree with my hon. Friend. I suppose that one could say that it is self-indulgent for Opposition Members who take that view to put forward their own luxurious opinions, attitudes and activities before considering the real impact of their actions.

Mr. D. E. Thomas: When the Secretary of State meets the Church leaders later this week, will he bear in mind what we prayed for together at the beginning of this sitting? Will he then listen with a contrite heart and take account of the attempts by Church leaders to put forward the objective will of the Welsh people for a consensus and a Welsh solution to this dispute?

Mr. Edwards: I shall listen carefully to the leaders of the Welsh Church and ascertain whether they have any proposals which are likely to forward the negotiations. At the moment I do not see how another general review of the future of the mining industry — on top of the three reviews that we have had in comparatively recent times —will help. I hope I shall hear that the Welsh Church leaders will press for a ballot and for the leadership of the NUM to negotiate and consider the industry's future. As always, I shall listen carefully to the Church leaders.

Mr. Harvey: Will my right hon. Friend guarantee that no further concessions will be made on the already generous terms on offer to the miners?

Mr. Edwards: It is certainly true that the NCB has moved a considerable way. It is difficult to understand how the NCB can go beyond the point that it reached in its agreement with NACODS. If we are to have a settlement, we need a willingness by Mr. Scargill and the leadership of the NUM to face the reality of discussing economic and uneconomic pits.

Mr. Coleman: Will the right hon. Gentleman dismiss from his mind what his hon. Friend the Member for Clwyd, South-West (Mr. Harvey) has just said? Giving him the benefit of the doubt on his earlier answer about his concern for the economy of Wales, does the right hon. Gentleman agree that, with his responsibilities for Wales, it is time that he put pressure on the Prime Minister to ensure that negotiations take place?

Mr. Edwards: What is needed is pressure from the hon. Gentleman, and all others who may have contact with or influence on the NUM, to ensure that negotiations can take place on a basis that includes consideration whether uneconomic pits should close and acceptance of the fact that there should be a ballot of the members.

Mr. Grist: Would my right hon. Friend care to estimate how ready the British Steel Corporation will be to resume its former level of orders from the South Wales coal board when the strike is over?

Mr. Edwards: That will be a matter for the industry, but there is no doubt that the strike will have damaged markets. It will almost certainly also have changed the transport pattern for coal in the area, to the long-term disadvantage of British Rail and its employees.

Mr. Allen McKay: Has not the mineworkers' leader already said that he is willing and waiting for negotiations to start without any set agenda whatever or anything being fixed beforehand? In view of that, and the fact that the national executive as a whole would take part in the negotiations, have we not reached the stage in this disastrous strike when the Government should put pressure on the National Coal Board to get negotiations under way?

Mr. Edwards: I welcome the fact that Mr. Scargill has apparently said that he is willing to negotiate. However, I note that he has said nothing at all about being willing to negotiate on the question of uneconomic pits. Without willingness to talk about that, there is no hope of progress.

Mr. Terlezki: We are suffering from a self-inflicted political strike brought about by Mr. Scargill and his storm-troopers. Will the order from France before the strike began for over 600,000 tonnes of Welsh coal now be lost, or could we recapture the market and keep the economy going in south Wales?

Mr. Edwards: Markets will certainly be damaged, but we must all hope that the NCB will be able to regain those markets. With a quick return to work I hope that— depending, of course, on exchange rates and our competitiveness—we will regain a good share of world markets. However, our chance of that grows fainter with every day of the dispute.

Mr. Barry Jones: The Welsh miners know that since 1979 unemployment in Wales has increased by 125 per cent. and that it is set to increase further. Is it not true that pit closures in mining valleys have major social consequences? What are the Government doing to speed up negotiations that could lead to the end of this damaging dispute?

Mr. Edwards: I understand the concern of the miners. Pits have been closing in large numbers for many years, under Governments of both parties. Indeed, fewer pits have been closed in south Wales under the present Government than under our predecessors.

The essential facts are that Mr. Scargill decided to take his men out on strike without a ballot, and through seven rounds of negotiations he has refused to move. Without some willingness on Mr. Scargill's part to consider the realities of the coal industry, it is difficult to see how we can reach a settlement. However, I hope that the clear desire for negotiations by many people, which is evident this week, reinforced by the fact that the miners themselves are voting by going back to work, will take us to the point where there can be a settlement.

Drugs Use

5. **Mr. Barry Jones** asked the Secretary of State for Wales if he will make a statement concerning the increase in the use of heroin and other drugs in Wales.

The Parliamentary Under-Secretary of State for Wales (Mr. Wyn Roberts): We are deeply concerned about the apparent increase in the misuse of drugs in certain parts of Wales, and that is why we have taken active measures, as part of the Government's campaign to combat the misuse of drugs throughout the United Kingdom. These include steps to ensure that local service providers are doing what is needed to develop coherent patterns of services, the offer of special funds to develop

facilities to combat drug misuse and treat and rehabilitate those who misuse drugs, and the development of health education materials to help parents, professionals and young people.

Mr. Jones: The north Wales health authorities know of 1,000 cases, half of which involve heroin. It is argued that that represents only one tenth of the problem. Is the Minister aware that, of the distraught Clwyd parents I have interviewed, two have told me of the hell of seeing their two sons become heroin addicts? Is there not disquiet in Clwyd health authority, which wants to become a vanguard area, at the lack of additional funds specifically earmarked to cope with drug addition? What is the Department doing to inform the school population in Wales of the terrifying dangers of taking heroin?

Mr. Roberts: The hon. Gentleman is right in saying that there were about 1,000 drug-related offences in 1984, half of which related to heroin. That figure of 1,000 is considerably greater than the total increase between 1971 and 1981. We are fully aware of the misery caused by drug addiction. We are taking steps with regard to health education. There are at least three sources of finance—the psychiatric reserve of the National Health Service, joint finance and the urban programme.

Mr. Raffan: Which district health authorities have applied for special funding? Does my hon. Friend expect to be able to meet those applications in full? Can he assure the House that the money to be made available will be new money? As most of it is to be taken out of the Welsh Office psychiatric reserve, will he assure us that the reserve will be proportionately increased so that other NHS psychiatric developments do not suffer?

Mr. Roberts: We have received bids from South Glamorgan, West Glamorgan, Mid Glamorgan, Gwent and Gwynedd health authorities and we are awaiting a final formal bid from Clwyd district health authority. I remind my hon. Friend that we have increased the money available to the NHS by 12 per cent. We are now examining the bids. We hope to announce our allocations to the various bids in due course.

Mr. Wigley: Is the Minister aware of the anxiety of people in Gwynedd, especially in the port of Holyhead, about this matter? Will he confirm that community physicians who feel strongly on this or any other issue will be free to speak their minds, whatever the policy of the health authority that employs them? Will he also confirm and assure the House that if the British Medical Association makes complaints and approaches to the Department on the right of community physicians not to be gagged, the Minister will investigate those cases?

Mr. Roberts: I am aware of the concern, especially in the Holyhead area. We have received the advice of the advisory committee on the misuse of drugs, which has provided material to assist doctors in treating and rehabilitating drug addicts. Doctors in Wales are in receipt of that advice through the Welsh Office.

Secondary Schools (Pupil Costs)

6. **Mr. Knox** asked the Secretary of State for Wales how much was spent per pupil in secondary schools in Wales in the most recent year for which figures are available; and how much this compares with the figure for 1978-79, at constant figures.

The Minister of State, Welsh Office (Mr. John Stradling Thomas): In 1983-84 cost terms, the provisional figure for 1983-84 is £1,006, compared with a figure of £902 for 1978-79.

Mr. Knox: Does my hon. Friend agree that there has been a satisfactory increase in expenditure per pupil in Welsh secondary schools, at constant prices? Has that been reflected in an improvement in standards?

Mr. Stradling Thomas: I agree that the figures reflect the level trend being maintained in expenditure on education. In constant cost terms, local authority revenue spending on education in Wales, excluding school meals and milk, was virtually the same in 1983-84 as in 1976-77, despite the significant decline in pupil numbers. As to the second part of my hon. Friend's question, the Government are concerned to maintain and improve the quality of education to meet the needs of the future.

Mr. Roy Hughes: But what real progress is there if the Government are not taking advantage of the temporary drop in numbers? Currently, text books are at a premium, repairs and maintenance are crying out for attention and extra-curricular activities are being cut. Will the Minister confirm that the overall education budget for local education authorities from 1979-80 to 1983-84 has been cut in real terms by 2 per cent?

Mr. Stradling Thomas: I most certainly do not accept the hon. Gentleman's last point. While resources have held level, the number of pupils has declined markedly —by more than 10 per cent. between 1978 and 1984. That is not consistent with the allegation of heavy cuts.

Rate Support Grant

7. **Mr. Wigley** asked the Secretary of State for Wales what representations he has received from local authorities and others in Wales over the past month relating to the rate support grant and capital expenditure guidelines for local authorities in Wales for 1985-86.

Mr. Nicholas Edwards: Three local authorities and one hon. Member have made explicit representations concerning the adequacy of expenditure targets and capital resources since I announced details of the 1985-86 rate support grant settlement on 12 December.

Mr. Wigley: Is the Secretary of State aware that the county of Gwynedd, which has the highest unemployment record of the eight counties in Wales, has suffered a further cut in regional support, as outlined in the Government's recent announcement? Is he further aware that that county, with less finance than is recognised by the Minister's own formula as being needed, cannot undertake not only the luxurious services that have faced the axe in the past but the statutory services that are required by this House?

Will the right hon. Gentleman give an undertaking that any authority unable to meet its statutory requirements because of the settlement can discuss this matter with him?

Mr. Edwards: I do not agree that Gwynedd will have a problem in meeting its statutory responsibilities. As I told the hon. Gentleman during our debate last week, Gwynedd's share of current resources has increased. I note that its capital allocation for 1985-86 is about £11 million —one third higher than the allocation for the present financial year.

Gwynedd's share of the total capital resources allocated to the counties will, as a consequence, be increased. Therefore, both for current and capital expenditure, Gwynedd is doing rather well.

Pupil-Teacher Ratios

9. **Sir Anthony Meyer** asked the Secretary of State for Wales what representations he has received regarding pupil to teacher ratios in Welsh schools.

Mr. John Stradling Thomas: The Department has received about 100 letters during the last six months which contain references to the pupil-teacher ratio.

Sir Anthony Meyer: Is my hon. Friend aware that the very satisfactory improvement in the pupil-teacher ratio during the years of Conservative Government none the less conceals disparities such as over-large classes, especially in primary schools? Will he issue guidance to education authorities to seek more flexible arrangements with the teachers' unions to ensure that teachers are available where they are most needed — in the over-sized classes of primary schools?

Mr. Stradling Thomas: The overall teacher-pupil ratio has improved steadily during the past few years and is at its best ever level. However, I take my hon. Friend's point that, although that is a useful yardstick, we should not attach too much importance to it, because it is an average figure. Of course, there will be anomalies and difficulties. Local education authorities have my sympathy, but it is for them to manage their resources as best they can and to get the best provision possible within the resources available.

Mr. Anderson: Two of the Minister's hon. Friends have used the word "satisfactory" when referring to education in Wales. Will he send them a copy of the recent inspector's report and say when and in what form he intends to respond to that report?

Mr. Stradling Thomas: I am aware of that report. It backs the contention of my hon. Friend. Such reports are meant to examine the position carefully. That does not mean that everything is perfect. Satisfactory and perfect are a long way from each other.

Enterprise Zones

12. **Mr. Coleman** asked the Secretary of State for Wales how many jobs have been created in each of the enterprise zones, in Wales from their inception to the present date; and if he will make a statement.

Mr. John Stradling Thomas: The latest quarterly progress reports from Swansea city and Delyn borough councils indicate that some 1,430 jobs have been provided in the Swansea enterprise zone since its designation, and some 260 in the Delyn zone. The first monitoring report on the Milford Haven enterprise zone is currently in preparation. Overall, excellent progress has been made.

Mr. Ray Powell: At what cost?

Mr. Coleman: As my hon. Friend says, at what cost are the jobs being provided in the enterprise zones in various parts of Wales? Has the Minister considered the problem of businesses, providing jobs in towns adjacent to enterprise zones because they are collapsing? An example is a boot and shoe retail outlet in Pontardawe. How does what is happening square with the Welsh people's expectations of enterprise zones?

Mr. Stradling Thomas: It is wrong to draw comparisons between regional financial assistance and expenditure on enterprise zones which are experiments in removing burdens and barriers from businesses in addition to the ordinary industrial development activities such as site reclamation and preparation. Much has been done in the Swansea zone.

Regional assistance is available within enterprise zones, but it is not practicable to identify comparable expenditure in the two areas. The hon. Gentleman, as well as my right hon. Friend and I, are proud of the excellent work carried out by the Enterprise Trust in Neath.

Mr. Raffan: Does my hon. Friend agree that the number of new jobs created in the Delyn enterprise zone is particularly remarkable, since until recently only one and a half acres of the 190-acre site have been available for development? Does he also agree that now that the clearance of derelict land and the creation of vital infrastructure is near completion the zone is poised to take off in a significant way?

Mr. Stradling Thomas: I agree. The zone is comparatively new. The initial information augurs well and I trust that Delyn will benefit greatly and flourish.

Mr. Anderson: I believe that the Swansea enterprise zone has, on balance, benefited employment in the lower Swansea valley. May we have an assurance that the figures which the hon. Gentleman has given are in no way padded and that they take into account relocations and jobs which have been destroyed on the periphery of the enterprise zones?

Mr. Stradling Thomas: It is difficult to evaluate the figures. I take on board what the hon. Gentleman says and welcome his positive approach. I have no doubt that there has been a tremendous spin-off from the benefits of the enterprise zone. I am certainly not padding any figures.

Social and Economic Features

13. **Mr. Grist** asked the Secretary of State for Wales whether he will list those social and economic features of Wales his Department takes steps to stress to potential overseas investors.

Mr. Nicholas Edwards: Overseas investors choose locations where they think their business will thrive. The perception of Wales as an area of developing technology is, therefore, highly relevant. Wales offers them a skilled and adaptable work force, good industrial relations, good communications, attractive sites and premises, strong industrial back-up, good educational facilities and attractive living conditions. Financial inducements are an important but by no means major element in the complete package on offer.

Mr. Grist: Does my right hon. Friend agree that, while stressing that our fine golfing facilities are a plus with the Japanese, the Cardiff area enjoys all the facilities that he mentioned to a degree unparalleled in the rest of the country?

Mr. Edwards: Cardiff and large parts of industrial Wales are extremely well placed to compete. Indeed, I tell

my Japanese friends that it takes longer to get to their golf courses from the centre of Tokyo than it takes to get from London to the centre of Cardiff.

Mr. Wigley: In view of the importance of communications, to which the Secretary of State referred, what assurances can he give to industrialists and others that the experience on the A55 between Llanfairfechan and Penmaenmawr, which was closed for large parts of last week by a landslide, will not be repeated? Will he assure us that the Welsh Office will investigate the rumours circulating in the area that the landslides were started by drilling initiated by the Welsh Office?

Mr. Speaker: Order. That is somewhat wide of the question.

Mr. Edwards: I agree that communications are extremely important. We cannot give absolute assurances that landslips or nature will not intervene to interrupt transport links temporarily. The hon. Gentleman will know that we are spending enormous sums at present on improving that road.

Mr. Barry Jones: As an economic feature, does the right hon. Gentleman stress skill training? Will he tell us of his efforts to prevent the closure of the Llanelli and west Gwent skillcentres? Is he prepared to accept that if he does not prevent those closures it will be a humiliating defeat for him?

Mr. Edwards: Skill training is of first importance for attracting new industry, and the Government have done more than any previous Government to develop it. The proposals to which the hon. Gentleman referred come from the management of the Manpower Services Commission to the commission, and the commission has not yet taken a final view on them or given that view to Ministers. When that happens, I shall consider what further action is required.

Cardiff Airport

14. **Mr. Terlezki** asked the Secretary of State for Wales what representations he has received regarding the future of Cardiff-Wales airport.

Mr. John Stradling Thomas: The Department received representations from the Cardiff-Wales airport joint committee about its proposals to extend the runway. I am sure that my hon. Friend will welcome the Government's favourable response to those proposals.

Mr. Terlezki: I am grateful to my hon. Friend for that reply. An increase of 11 per cent. in passengers at Cardiff airport in 1983-84 is welcome. Does he agree that we must do everything that we can to help the airport authority to ensure a greater use of the airport in future, especially during the tourist season?

Mr. Stradling Thomas: I, too, greatly welcome the announcement by my hon. Friend the Under-Secretary of State for Transport of a capital expenditure allocation to enable the runway at Cardiff-Wales airport to be extended in 1985-86. That is a clear demonstration of the Government's commitment to the development of the airport, which is a substantial asset to south Wales, and it demonstrates the point of my right hon. Friend the Secretary of State that it will be even easier to get to a good game of golf in Wales in the future.

Mr. Roy Hughes: Does the Minister appreciate that the Opposition welcome the increasing success of Cardiff-Wales airport and hope that its most recent application will be considered favourably? How does he reconcile his attitude with the proposal to spend more than £1 billion at Stansted airport? Could not that money be used, not only to develop Cardiff-Wales and other regional airports, but to create general development work and thus employ more people?

Mr. Stradling Thomas: There appears to be a misunderstanding on the hon. Gentleman's part. The money has been allocated. The runway extension should be operational by the summer of 1986. It will allow direct transatlantic flights between Cardiff and the eastern United States and Canada. I am sure that it will boost the number of tourists coming to Wales and make Wales an even more attractive location for inward investment.

CHURCH COMMISSIONERS

Curates (Pay)

17. **Mr. Greenway** asked the hon. Member for Wokingham, as representing the Church Commissioners, what are the current pay and emoluments of curates; and what were the comparative figures 10 and 20 years ago, in real terms.

The Second Church Estates Commissioner, Representing Church Commissioners (Sir William van Straubenzee): The current average stipend of an assistant curate is £5,991. In addition, he is provided with a house free of rent, rates, repairs and insurance. I will, with permission, circulate the comparative figures in the *Official Report*. But they show an improvement in real terms of 35 per cent. over 10 and about 60 per cent. over 20 years.

Mr. Greenway: Will my hon. Friend assure the House that the Church Commissioners will endeavour to pay those scales to all curates? Will he explain why we now have only 10,000 clergy, compared with 100 years ago when we had 20,000 and half the present population? Has productivity been maintained and has quality improved? If so, what on earth did they do 100 years ago?

Sir William van Straubenzee: The short answer is that there is an upper and a lower level on the scale, and a curate is paid within those levels. Regarding the present time, the one factor that is common to both periods is that men undoubtedly do not offer themselves for ordination for financial reasons. I am concerned with the financial matter only, because the commissioners are not responsible, I must make clear, for recruitment.

Mr. Ryman: With respect to the pay of curates, are there not special factors today which would justify an increase? Although there appears to be a calculated conspiracy in the House to prevent a debate on the important matter of the coalmining dispute, does not the dispute impose extra burdens on the clergy, who are doing excellent additional work in parishes in coalmining areas?

Sir William van Straubenzee: While I leave aside immediate matters, I accept that the position of the curates has been such that they have deserved special consideration. I hope that the hon. Gentleman has, therefore, followed that that is precisely what the Church

Commissioners have attempted to do and, indeed, as the figures show, have succeeded in doing during the past 20 years.

Following are the comparative figures:

For 1984-85 the commissioners, as Central Stipends Authority, have recommended a five-year increment scale of £5,600-£6,100. The average stipend in 1984-85 was £5,991. In 1974-75 the equivalent incremental scale extended over eight years from £1,150-£1,510 with an average stipend in November 1974 of £1,424 (equivalent to £4,435 at November 1984 prices). There was no national scale in 1964-65 nor comparable statistics. However, the record indicates that the average stipend of assistant curates was in the region of £600, or £3,800 at November 1984 prices.

Inner-city Sites

18. **Mr. Frank Field** asked the Member for Wokingham, as representing the Church Commissioners, if he will make a statement about the Church Commissioners' policy on the sale of church owned inner-city sites.

Sir William van Straubenzee: The commisioners have primary regard to the interests of their beneficiaries, but also take into account all other relevant factors, including, in appropriate case, the recommendations of the dioceses.

Mr. Field: Given the responsibility of the commissioners to provide salaries and pensions, may I suggest that they publish a discussion paper which sets out the extent to which they are prepared to back voluntary and community groups when they sell valuable inner-city sites?

Sir William van Straubenzee: I am obliged to the hon. Gentleman for reminding the House that, in the great majority of cases, the commissioners devote those proceeds to stipends and pensions, which are extremely important. That fact is not always remembered. My immediate reaction is to say that conditions are so different in a large variety of cases—many of the decisions must be made by the individual diocese—as not to make a paper helpful. However, I shall consider the hon. Gentleman's suggestion.

Mr. Wheeler: Will my hon. Friend bear in mind the fact that, with regard to the disposal of the Holy Trinity church site in my constituency, my constituents welcome the disposal and are especially grateful for the £200,000 which the Church Commissioners intend to make available to local organisations?

Sir William van Straubenzee: I am much obliged to my hon. Friend. There were various points of view in that case, but I hope that the outcome will help the local community that he represents so vigorously.

HOUSE OF COMMONS

Staff (Statistics)

19. **Mr. Alfred Morris** asked the hon. Member for Berwick upon Tweed, as representing the House of Commons Commission, how many persons are employed by the Commission in the House; if in this respect any arrangements exist for positive discrimination in favour of the disabled in any of the Departments of the House; and if he will make a statement.

Mr. Beith: The total number of persons employed by the House of Commons Commission, including part-time workers, was 913 at 1 January 1985. The Commission's policy on the employment of disabled persons remains as set out in its fourth annual report 1981-82, which made clear its concern to ensure that very opportunity is taken to employ disabled people in the House's service.

Mr. Morris: Will the hon. Gentleman put to the Commission the need for some measure of positive discrimination to increase the number of disabled people employed in the House? Will he suggest a pilot experiment for 12 months among, say, the *Hansard* clerical staff—the results to be reported to the Commission by the Editor—as a guide to future policy in employing disabled people? Meanwhile, will he say what percentage of employees of the House are disabled?

Mr. Beith: The Commission's policy is already that preference should be given to a registered disabled person where the merits of candidates are otherwise equally balanced. That is drawn to the attention of all recruitment boards. If the right hon. Gentleman is suggesting that we should extend that principle in new ways, he should let me have more details so that the matter can be considered. I welcome the right hon. Gentleman's interest, in view of his experience in such matters. The Commission remains anxious to ensure that the disabled have every opportunity of employment at all levels and in all Departments. At present the proportion of full-time disabled employees is about 1 per cent., but that does not include the disabled people who work in the House for other agencies.

THE ARTS

Arts and Libraries

20. **Mr. Meadowcroft** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what representations the Minister for the Arts has received on his announcement of the allocation of the arts and libraries expenditure programme for 1985-86.

22. **Mr. Pike** asked the Parliamentary Under-Secretary of State answering in respect of the Arts what representations the Minister for the Arts has received about his proposals for funding the arts in 1985-86.

The Parliamentary Under-Secretary of State for the Environment (Mr. William Waldegrave): My right hon. and noble Friend the Minister for the Arts has received no formal representations so far on his announcement of the allocation of his programme.

Mr. Meadowcroft: Have the Minister's responsibilities in the Department of the Environment led him to realise the need to expand services, especially library services, at a time of recession and high unemployment to enable those who, alas, have no jobs at present to find other ways of occupying their time which are beneficial to them and in the interests of the community?

Mr. Waldegrave: It is vital to maintain an adequate library service at this time as at all others.

Mr. Pike *rose*——

Mr. Faulds: Since the hon. Gentleman is empowered to answer for arts matters in the House, although he is not the Minister, why is he so chary about answering for these

matters when he is asked to do so by the media, in terms of interviews either with the newspapers or with the radio and television companies?

Mr. Waldegrave: I am not sure that that is really a matter best discussed here, but the answer is clear. The House, well understanding the convention that I can say that I will report a specific matter to my right hon. and noble Friend, understands that I am not a Minister for the Arts. I am not sure that I should find that easy to put across in the course of a television interview.

Mr. Speaker: I apologise to the hon. Member for Burnley (Mr. Pike) for not calling him. I was deflected. Mr. Pike.

Mr. Pike: I am grateful, Mr. Speaker. Will the Minister accept that the Government's proposals will cause severe difficulty for the Arts Council to maintain its levels of support in the regions, not only for existing schemes, but for new schemes such as the mechanics centre being proposed in Burnley?

Mr. Walegrave: I know what a determined lobbyist for the mechanics centre the hon. Member for Burnley (Mr. Pike) is, because he has spoken to me about it on several occasions. My right hon. and noble Friend deserves congratulations in respect of the allocations that he has been able to make to the Arts Council. A real terms increase is not to be sniffed at.

Mr. Cormack: In view of the problems and opportunities that will arise as a result of Weston park, Kedleston and Nostell priory, does it remain Government policy to have special reserves available to deal with special needs?

Mr. Waldegrave: As we know from the events surrounding Calke abbey, specific crises have to be dealt with at the time. But I repeat that my right hon. and noble Friend has managed to secure a fairly reasonable overall increase in his programme for next year.

Mr. Jessel : On the provision of funding for the arts via the Arts Council within Greater London, will my hon. Friend confirm that such provision is made in respect of the National theatre, the opera, the ballet and the orchestras? Will he comment on the sudden curtailment of their share of support by the Greater London council, which claims to care about the arts?

Mr. Waldegrave: It is obviously for the Arts Council to make specific allocations to specific companies, though the great companies to which my hon. Friend referred must be at the top of its list.

One is left almost speechless by the irresponsibility of the GLC in threatening a scorched earth policy in the arts to make some point, probably, for all we know, within the Labour party, about the policy towards regional government.

Mr. Buchan: Is it not disgraceful to make that sort of attack on the GLC when the Minister knows that its response is due entirely to Government proposals and cuts?

The hon. Gentleman says that there have been no representations. Does he agree that there has been almost universal condemnation, including from the chairman of the Arts Council, the director of the National theatre and the director of the National gallery, all of whom have said that they are appalled and that the Government's proposals will gravely jeopardise their institutions?

Mr. Waldegrave: Since the hon. Member for Paisley, South (Mr. Buchan) mentioned Sir Peter Hall, I am willing to stand by his judgment. The weakest of the words that he used about the GLC was "vandalism". The House must recognise that the achievement of my right hon. and noble Friend in obtaining an increase in real terms this year for the Arts Council is a good one.

England Entertains Campaign

21. **Mr. Michael Marshall** asked the Parliamentary Under Secretary of State answering in respect of the Arts what liaison the Office of Arts and Libraries envisages with the English Tourist Board in connection with the England Entertains Campaign in 1985.

Mr. Waldegrave: My right hon. and noble Friend welcomes the campaign and liaises as necessary with the English Tourist Board, and the Arts Council of Great Britain is represented on the England Entertains committee.

Mr. Marshall: Is my hon. Friend aware that the campaign slogan is "See it live in '85"? What do my hon. Friend and his right hon. and noble Friend intend to do about taking up that invitation? Will my hon. Friend also say what his Department intends to do in collaboration with the Department of Trade and Industry to highlight the important role for tourism of British theatre?

Mr. Waldegrave: The first point to make to my hon. Friend, who has considerable expertise in these matters, is to welcome the very dramatic increase in commercial theatre during the last year. Many fewer theatres have gone dark this year than last. This is greatly to be welcomed. It will make a stronger contribution to this programme. My right hon. and noble Friend's Department and other Departments will liaise as necessary with the campaign, which we welcome.

Sir David Price: Does my hon. Friend agree that there is a strong case to be made for the tourist industry making a direct financial contribution to support both the arts and the heritage, as they represent such an important part of the total capital of the tourist industry? To this end, will my hon. Friend begin negotiations with both the Department of Trade and Industry and the Treasury?

Mr. Waldegrave: If my hon. Friend is proposing a new tax of some kind, I hear what he says and I shall report it to my right hon. and noble Friend. We must also remember that it is open to those rich and prosperous companies which make money out of this admirable trade to make direct contributions themselves. I have no doubt that some of them do.

British Library

23. **Mr. Murphy** asked the Parliamentary Under Secretary of State answering in respect of the Arts when the Minister for the Arts expects to announce a decision on the commencement of the building of the next stage of the British Library; and if he will make a statement.

Mr. Waldegrave: My right hon. and noble Friend expects to make a decision on the building of the next stage of the British Library by the autumn of this year.

Mr. Murphy: Does my hon. Friend agree that such a major project as this ought to have a full commitment to future funding by Her Majesty's Government?

Mr. Waldegrave: The Government are committed to the first stages of this major development. It will take many years to complete. There will be certain necessary review periods during the course of the project, but by making an initial commitment the Government have shown their attitude to the project as a whole.

Taxation (Works of Art in Lieu)

24. **Mr. Freud** asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will publish a value for money table in respect of works of art accepted by Her Majesty's Government in lieu of tax.

Mr. Waldegrave: No, Sir. Acceptances in lieu depend upon valuations based on market prices and a tax position which is private to the individual concerned. It would not be appropriate to publish details.

Mr. Freud: Does the Minister agree that in his reply on 17 December, in which he said that the criterion was value for money, he was being plainly absurd, in that the only proper criterion should be the importance of a piece of art? Will he bear in mind that with the rising dollar and the falling pound it is becoming ever more difficult to compete with American institutions such as the Getty museum? Will he therefore attempt to get a slightly more realistic total with which to bid for works of art that we wish to retain?

Mr. Waldegrave: The later point about the dollar is extremely important. The hon. Member is quite right. We have to recognise that the monetary value of a work of art bears some relationship to its importance. That is what was meant by the phrase "value for money". What is saved for the taxpayer obviously depends upon the exact tax position of the individual concerned. That is why I gave the hon. Member my initial answer.

Mr. Robert Sheldon: Is the hon. Gentleman aware that it does little for the reputation of the Treasury in getting value for money if it declines to accept a certain work of art in lieu of taxation and subsequently it is auctioned for very much more money?

Mr. Waldegrave: The other matter which must be taken into account is the shape of what is already in the national collections. For example, in relation to the Duke of Devonshire's old master drawings it was necessary to consider what the British museum owned already. That is a significant factor to take into account.

Mr. Cormack: Does my hon. Friend agree that if the £2 million limit that has been referred to in official pronouncements is adhered to many treasures will go, particularly from the houses that I mentioned earlier—Nostell priory Kedleston and Weston park? Will my hon. Friend reflect on the enormous tourist earning potential of these places and have urgent discussions with our right hon. and noble Friend?

Mr. Waldegrave: I do not think that it is any secret that very difficult decisions must be faced in the time ahead. I am always a little unwilling to defend the retention of works of art on the ground of their tourist attraction, although that is one factor to take into account. I know that my right hon. and noble Friend is well apprised of what my hon. Friend warned me about — the mounting pressure in this sector.

Coal Industry Dispute

3.30 pm

Mr. Jeremy Corbyn (Islington, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the coal industry dispute and the state of power supplies in this country".

I do so for several reasons. First, the miners' dispute has gone on for over 10 months. Secondly, it has produced terrifying costs in human terms. Thirdly, there have been changes in Government policy by stealth—by DHSS payments being withheld, and by the use of a national police force. Fourthly, it has had an effect on public spending.

There are many queries about the real cost in terms of public spending of the miners' dispute. It is estimated to be over £5 billion, both in direct costs and in indirect costs such as loss of tax income and other incomes which the Government could expect if the coal industry were working normally. Furthermore, it is likely that the cost of electricity will rise as a result of this dispute, because the Government are paying a great deal of money to import coal and oil to attempt to break this dispute. There are also many queries about the safety of nuclear power stations, which have not had normal safety checks throughout the period of this dispute, and about the safety of many other power stations.

The statements made by the president of the National Union of Mineworkers and other people over the weekend warrant an urgent and immediate debate in the House. The House has not debated the dispute since 21 December, when it did so on the initiative of one of my Back-Bench colleagues, who caught your eye, Mr. Speaker, during an Adjournment debate and was able to raise this matter. Therefore, it is critical that the House debates the cost of the miners' dispute, because if the House is to represent the people, and if hon. Members are elected to come to the House to raise matters of concern to their constituents and the country as a whole, they must have the right to raise them in the House. This is a democratic establishment, and this debate is crucial.

There have been no debates in Government time on the miners' dispute for many months, and we have reached a critical point, when power supplies are under a question mark and the amount of money being spent by the Government is under a great deal of scrutiny. The Government should submit themselves to public scrutiny so that many questions can be raised and, I trust, answered. I hope, Mr. Speaker, that you will agree to this debate taking place, in view of the urgent and critical nature of the mining dispute and the effect that it is having on so many people and communities.

Mr. Speaker: The hon. Member for Islington, North (Mr. Corbyn) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the coal industry dispute and the state of power supplies in this country".

I in no way underestimate the importance of the subject of which the hon. Gentleman has spoken, and I have listened carefully to what he has said. As he knows, my sole concern in considering applications under Standing Order No. 10 is to decide whether the matter should be given priority over the business already set down for this evening or tomorrow. I regret that I cannot find that the matter that he raises meets all the criteria laid down by the Standing Order. Therefore, I cannot submit his application to the House.

Orders of the Day

Hong Kong Bill

Order for Second Reading read.

3.35 pm

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I beg to move, That the Bill be now read a Second time.

I have it in command from Her Majesty The Queen to acquaint the House that Her Majesty, having been informed of the purpose of the Hong Kong Bill, has consented to place Her Prerogative and interests, so far as they are affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

The Bill that is before us today is short but of historic importance. The House had a full opportunity to discuss the Sino-British agreement on the future of Hong Kong on 5 December. I was heartened then by the warmth and unanimity of the support with which Members approved the Government's intention to sign it. I am confident that it provides satisfactorily for the continued stability and prosperity of Hong Kong into the 21st century. As the House knows, the agreement was signed by my right hon. Friend the Prime Minister and her Chinese counterpart, Premier Zhao Ziyang, in Peking on 19 December.

It was clear from the debate in December that the House saw the agreement as a good one, and one that met the needs of the people of Hong Kong. A number of right hon. and hon. Members raised the concerns expressed in Hong Kong about certain aspects of the agreement. Those concerns have also been fully documented in the report of the Assessment Office.

We have had a full discussion of these matters. For the most part, they do not directly concern the Bill. It is not, therefore, necessary to go over this ground again in today's debate, but I assure the House that the Government have the concerns raised in this House and in Hong Kong firmly in view. We shall continue to bear them in mind in our future discussions with the Chinese, particularly in the Joint Liaison Group.

A number of hon. Members suggested during the debate that the Government should make an annual report on Hong Kong to the House and that there should be a debate on it. I entirely accept that the House will wish to be informed about developments in Hong Kong fully and speedily when they occur. I assure hon. Members that the Government will take care to report to the House whenever there is anything significant to report. There is certainly no reluctance on our part in that respect, but I frankly doubt the value of institutionalising an annual report and debate. My fear is that that could well have the unintended effect that important developments were not properly debated as and when they occurred. This is not what any hon. Member wants.

Mr. Russell Johnston (Inverness, Nairn and Lochaber): Does that mean that the right hon. and learned Gentleman does not want an debate annually and wishes the matter to be left to the discretion of the Government?

Sir Geoffrey Howe: I am saying that the Government are well aware of the need to keep the House informed of changes and developments in Hong Kong and do not wish to avoid debates on those matters as and when appropriate. However, if we provide expressly for an annual report and annual debate, that will tend to act as a concentrator and a means of diminishing the prospect of a sensible report and debate when that is important. I am wary of the institutionalisation of anything of that sort. Such reports tend to be a repetition of previous reports in form, for example. Although designed with the best intentions, they often have the opposite effect of that intended.

Mr. Denis Healey (Leeds, East): I am somewhat perplexed by what the Foreign Secretary has just said. We have annual reports on the Army, the Navy and the Air Force, which are debated in the House and which produce useful debates. Those debates do not prevent the House from raising any matter concerning the Army, the Navy or the Air Force in between times if that seems appropriate. Regular reports are made to the House by the European Community on various matters, which again does not prevent us from debating other matters when that seems appropriate. The right hon. and learned Gentleman has given an opaque reason for opposing a recommendation which has been supported widely in the House and in another place.

Sir Geoffrey Howe: That may be the right hon. Gentleman's opinion, and there is room for differences of judgment. The right hon. Gentleman's judgment is not mine. My instinctive reaction to the annualisation of reports is to regard that practice as often diminishing the importance and value of the reports. However, the matter can be considered hereafter, and I have no doubt that it will be considered on many occasions. We shall report to the House on these matters, as we recognise the need for the House to have opportunities to debate them. However, despite the overwhelming quality of the right hon. Gentleman's rhetoric, and the breadth of support for the proposition in earlier debates, I am not persuaded that it would be right to institutionalise an annual report in the way that is proposed.

Since the debate in which those matters were raised, my right hon. Friend the Prime Minister and I have visited Peking for the signature of the agreement and we were able to raise with Chinese leaders a number of the questions that were touched on in that debate. The House will not expect me to go into details of our discussions, but Chinese leaders at the highest level gave us solemn assurances of China's commitment to full implementation of the agreement and of their intention to consult Hong Kong opinion on the drafting of the basic law on a wide basis.

Following that signature, we and the Chinese Government both have to satisfy our respective constituional requirements in order to ratify the agreement. The main purpose of the Bill before us today is to enable Her Majesty's Government to ratify the agreement.

The Bill itself provides for the termination of British sovereignty and jurisdiction over Hong Kong as from 1 July 1997. I shall briefly describe its main features. The central provision of the Bill is clause 1. It provides for the termination of British sovereignty over ceded parts of Hong Kong and the termination of British jurisdiction over the whole territory with effect from 1 July 1997. That clause will enter into force on the exchange of instruments of ratification. The clause will enable the Government to meet their obligation under paragraph two of the joint

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declaration, in which the Government of the United Kingdom declare that they will restore Hong Kong to the People's Republic of China with effect from 1 July 1997.

In recent years it has become the invariable practise when the United Kingdom divests itself of sovereignty over territory to do so upon the authority of an Act of Parliament. The situation of Hong Kong is of course sui generis. In this case we are entering into an agreement with another power to terminate sovereignty as from a certain specified date. Nevertheless, the need for parliamentary authority for the termination of sovereignty remains the same: it is essential that this authority should exist before the Government ratify the agreement and thus create an international obligation.

The schedule to the Bill deals with three aspects related to the agreement and the termination of sovereignty. They are, first, the changes in British nationality laws necessary as a consequence of the agreement and the associated exchange of memoranda with the Chinese Government; secondly, amendments to British laws in preparation for or consequent upon the termination of United Kingdom sovereignty and jurisdiction; and, finally, the provision of diplomatiic privileges and immunities to the five Chinese members of the Joint Liaison Group.

I deal now with nationality, and in this context I shall mention the reasoned amendment tabled by the right hon. Member for South Down (Mr. Powell), and my hon. Friend the Member for Orpington (Mr. Stanbrook) and I made it plain in the House on 5 December that the legislation that we proposed to introduce would provide powers to make the amendments to nationality legislation that are necessary as a result of the agreement and the United Kingdom memorandum.

Those provisions are contained in paragraph 2 of the schedule, which enables a subsequent Order or Orders in Council to be made to ensure that British dependent territories citizenship cannot be ratained or acquired on or after 1 July 1997 by virtue of a connection with Hong Kong and to create a new form of British nationality that may be acquired by persons who are BDTCs by virtue of such a connection with Hong Kong.

Following consultations with the Hong Kong Executive Council, it is intended that the title of the new form of nationality should be "British National (Overseas)". It has not been easy to devise a title which meets all the necessary requirements. On the one hand, it needs to make clear that we are dealing with a form of British nationality. Nothing less than that would be acceptable in Hong Kong. On the other hand, it is essential that the title we choose can continue to be used after 1997. For this to be possible, the title must clearly carry no implication of a continuing constitutional relationship between Britain and Hong Kong after 1997.

I believe that the title we have chosen meets those needs. It has necessarily been the subject of careful consultations with the Executive Council. The completion of these consultations has enabled me to announce the title to the House today. There should now be adequate time to explain the choice of the new title——

Sir Paul Bryan (Boothferry): Will my right hon. and learned Friend repeat the title once again?

Sir Geoffrey Howe: Certainly. It is "British National (Overseas)". The fact that my hon. Friend has intervened to ask for that repetition underlines the point that I was making, that there needs to be adequate time to explain the choice of the new title to the people of Hong Kong.

Mr. Johnston: I am grateful to the right hon. and learned Gentleman for giving way to me once more. He said that the title had been agreed after consultation with the Executive Council. Having talked to some of the members of the council, I understand that that title was about the seventh on the list of possible titles. I am not sure that it is true that the absence of any reference to Hong Kong in the title is acceptable.

Sir Geoffrey Howe: The hon. Gentleman is right to say that the suggestion that the title should include a reference to Hong Kong is one of the factors that has been canvassed, for understandable reasons, but, for the reason that I have given, in our judgment, which was acceptable to the Executive Council after discussions, it would not be acceptable for the title to carry the implication of a continuing constitutional relationship between this country and Hong Kong. I readily accept that it has not been a matter of swift and easy deliberation to come to a conclusion about that, but that was one of the factors that we had in mind.

Mr. Christopher Murphy (Welwyn Hatfield): Will my right hon. and learned Friend clarify, under paragraph 2(1)*(b)* of the schedule, the use of the word "may", because I understand that there is considerable concern in Hong Kong over the use of the "may" rather than "shall". My right hon. and learned Friend has just said what the new form of citizenship will be called. Can he tell us something about the citizenship and the documentation that will result from such a title?

Sir Geoffrey Howe: I hesitate to answer any point, unprompted, about the precise drafting of a subparagraph of a paragraph of a schedule. I shall decline my hon. Friend's invitation, but will note his point and see that an explanation is advanced in due course.

Mr. Peter Bruinvels (Leicester, East) *rose*——

Sir Geoffrey Howe: I hope that my hon. Friend has a less subtle point to raise.

Mr. Bruinvels: I am certain not certain that my point is that subtle. My right hon. and learned Friend has just mentioned the constitutional purpose of the title of British National (Overseas). I am particularly interested to know —I am sure that the House is, too—what rights such people in Hong Kong will have after 1997. Will they be able to come to this country to settle permanently?

Sir Geoffrey Howe: We have now reached that point in interventions when I may conclude, at least for a time, that the intervention is likely to be dealt with in the rest of my speech. I shall therefore proceed to the next section to meet my hon. Friend's point.

If an amendment to the title introduced — I can understand why it might be argued that it is desirable— there should be an opportunity to do that, after the further explanation that I described, in another place. I said on 5 December that the schedule included a specific provision that the orders may include any measures that are necessary—this is a separate point—to ensure that no British national or any child born after 1 July 1997 to a British national is made stateless as a result of the arrangements.

Mr. J. Enoch Powell (South Down): Did the right hon. and learned Gentleman say that if an amendment was desired to be debated that could happen in another place? Is he implying that there would be no opportunity for that during the Committee stage of the Bill?

Sir Geoffrey Howe: Clearly, there would be an opportunity in Committee in this House, as in the other place, for that point to be debated. However, I was saying that, in my judgment, if the title is to be further explained and appreciated in Hong Kong before it is incorporated in the Bill—if it is incorporated—it might be more suitable for more time to elapse, which is why I identified the other place. I am sure that nothing that I can say will have the effect of inhibiting the right hon. Member for South Down (Mr. Powell) from debating the matter in the House. I have indicated, however, the likely response.

It is the Government's intention that all the necessary amendments to nationality legislation should, if possible, be made by one Order in Council, although the Bill would allow for adjustment or addition by further Orders in Council, if that became necessary. I should emphasise that these powers to alter the nationality laws by way of Order in Council could be used only in connection with the purpose which I have described. They would not permit alterations to be made for any other purpose or in respect of any other group of people not connected with Hong Kong. We intend to make the order at an early date and, at the latest, within a year of the passage of the Bill. The Bill provides that such orders will be subject to the affirmative resolution procedure. I emphasise that Members of both Houses would have a full opportunity to consider and debate the proposals in this Order in Council.

I do not agree—I anticipate the point likely to be made by the Opposition—with the right hon. Member for South Down that this procedure would provide inadequate opportunity for consideration of the measures proposed. It was precisely because we knew that the House would want to give detailed consideration to the orders that we proposed to make them subject to the affirmative procedure. Obviously, the Government will take careful account of the points which enjoy widespread support among hon. Members, and which may arise during today's debate.

Mr. Healey: I apologise for interrupting the right hon. and learned Gentleman again, but this point may prove to be the nub of any disagreement on the major procedure that the Government recommend. Having laid an order for discussion in both Houses, will it be possible for the Government to take account of strong objections to some element in the order and, without seeking affirmation by both Houses, to revise the order and bring it back for later voting? We are concerned most about the fact that it would be possible, under the procedure envisaged by the Government, to put forward an order to which there turned out to be strong and valid objections in Hong Kong, this House and another place, and yet the Government would not be free, even if they wished, to vary the terms of the order before a vote was taken.

Sir Geoffrey Howe: I understand the point that prompted the right hon. Gentleman to intervene. He will appreciate that it is not customary for an order that is being debated under the affirmative procedure to be subject to amendment. Indeed, that cannot be done in the debate taking place at that time. The design of a procedure that would meet the right hon. Gentleman's point takes one into relatively unknown territory. I should need to discuss that point further before giving a firm answer. I am anxious for hon. Members to take the opportunity afforded by today's debate and the debate in Committee in both Houses to register the points about which they are concerned.

Mrs. Elaine Kellett-Bowman (Lancaster): My right hon. Friend the Minister of Agriculture, Fisheries and Food met that point by bringing forward a draft order to deal with the agricultural provisions and at a later date brought forward a substantive order so that hon. Members could go into the order in detail. Voting took place later on the substantive order.

Sir Geoffrey Howe: I do not have in mind every aspect of the activities of my right hon. Friend the Minister of Agriculture, Fisheries and Food. I am grateful to my hon. Friend the Member for Lancaster (Mrs. Kellett-Bowman) for drawing my attention to that example. If pressed, I could think of other examples. At the moment, there is no undertaking in that respect.

Mr. John Morris (Aberavon): Will the right hon. and learned Gentleman give way?

Sir Geoffrey Howe: I hope that the right hon. and learned Gentleman will allow me to get on with my speech.

Mr. Morris: Does the right hon. and learned Gentleman agree that there would be no need to consider or design a new procedure if the Government said that they would introduce their draft order on a tentative basis and did not seek to roll measures through the House, regardless of opinion? The Government should make sure that there is ample opportunity for views from Hong Kong to be expressed. The Government would suffer no loss of face, if strong representations were made to the House, by withdrawing the measures temporarily and reconsidering the matter during debate.

Sir Geoffrey Howe: The right hon. and learned Member makes the point with his customary eloquence. I shall not now give any undertaking on the matter, but I hear what is being said about it.

Perhaps I may be allowed to proceed with the substance of my speech, leaving some questions to be answered by my hon. Friend at the end of the debate, rather than try to answer them now.

The Bill does not in itself include the full and final provisions on this subject and I can give some reasons why that is so. The agreement set a time limit for ratification, which must take place before 30 June this year. By that time the Bill must have passed through both Houses and received the Royal Assent. That is why the Bill was introduced so soon after the signature of the agreement.

Although the United Kingdom memorandum lays down the main lines of what is necessary, there is still—as our discussion so far has demonstrated—detailed work to be done in framing legislation to give effect to it. Those are matters that require careful thought and consultation, not least in Hong Kong. There must be adequate time for that consultation to take place.

This is a subject in which there is, understandably, interest in Hong Kong. It is most important that the legislation is acceptable there. Work on this is in hand, and discussions are taking place with the Executive Council in

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Hong Kong. However, it would not necessarily be wise, and in fact it is not necessary, to attempt to carry through detailed provisions in the time scale which the date of ratification imposes on legislation. Even so, the measures concerned arise directly out of the agreement and the memorandum. It is, therefore, appropriate that all such matters should be dealt with in the Bill.

I can give some examples — no doubt other hon. Members will give others—of the details that are likely to be included in the order. It will, of course, make provision for the removal of Hong Kong from the list of dependent territories in schedule 6 to the British Nationality Act 1981 with effect from 1 July 1997, and for the acquisition of the new form of nationality. For technical reasons it is not possible to rely on the words "by virtue of a connection with Hong Kong". The order will therefore detail who is eligible to acquire the new form of nationality.

It is the Government's intention that the new form of British nationality should carry broadly the same benefits as British dependent territories citizenship, except that it will not be transmissible by descent. Holders of the new status will be able to use British passports. They will be eligible for British consular protection in third countries. They will have a right to registration as British citizens on the same terms as BDTCs. In short, the order will in effect redefine the scope of the British Nationality Act 1981 to cover the new status where appropriate.

In addition, the order will also set out the circumstances in which persons who might become stateless as a result of these provisions, and the children born after 1 July 1997 to holders of the new status, if they would otherwise be stateless, may acquire a form of British nationality, which will be British overseas citizenship.

Even though the proposals cannot yet be final, we thought it right that the Bill should contain a clear indication of the Government's intentions with regard to nationality and set out a framework for the subsequent subordinate legislation that will be necessary. Parliament quite rightly expects to have the opportunity of considering what the general nature of such legislation would be. Moreover, to adopt any other course would perpetuate uncertainty in Hong Kong——

Mr. Andrew Faulds (Warley, East): Will the right hon. and learned Gentleman give way?

Sir Geoffrey Howe: I shall give way in a minute. It could also lead to doubts about the Government's willingness to implement the provisions of the United Kingdom memorandum. I am sure hon. Members would agree that that would be most unsatisfactory.

Mr. Faulds: Will the right hon. and learned Gentleman confirm that the assurances that he has just given would cover non-Chinese Hong Kongers who live abroad—in south-east Asia somewhere—who would be in a ghastly limbo of lostness if they were not covered by what I understand are the assurances that he has just given?

Sir Geoffrey Howe: The hon. Gentleman must forgive me if I do not respond instantly, as almost every word in his sentence might have some special meaning which must be considered. I shall see that his question is considered. If possible, my hon. Friend the Minister will deal with it in his winding-up speech.

Mr. Peter Bruinvels: I understand the circumstances with regard to stateless people — they show a caring Government — but I am still worried about whether British Nationals (Overseas) are to have priority over any other people from abroad if they want to settle in the United Kingdom permanently.

Sir Geoffrey Howe: No. There is no intention to effect or imply any such change. We intend to give substantially the same rights and limitations as are attached to British dependent territory citizens under existing law, with the principal change of withdrawing the right of transmissibility for one generation. There is no change along the lines that my hon. Friend suggests.

For the reasons that I have outlined, I invite the House to reject the reasoned amendment in the names of the right hon. Member for South Down and my hon. Friend the Member for Orpington.

Paragraph 3 of the schedule gives the necessary powers to make changes in British law in consequence of or in connection with the ending of sovereignty. It enables Orders in Council to be made to repeal or amend United Kingdom legislation in so far as it is part of the law of Hong Kong, to enable the legislature of Hong Kong to repeal or amend United Kingdom legislation in so far as it is part of the law of Hong Kong and to legislate with extra-territorial effect, and to repeal or amend British legislation which relates to Hong Kong. These are normal provisions when this country ceases to have sovereignty over a territory. They are written into independence Acts, and, although this Bill is of course different from an independence Bill, a similar provision is necessary in the case of Hong Kong. It would be inappropriate to continue after 1997 to have references in the laws implying the continuation of a constitutional relationship with this country.

Paragraph 3 will also allow Hong Kong, in the years up to 1997, to adopt local laws to replace those United Kingdom enactments which currently form part of the law of Hong Kong in, for example, on civil aviation and shipping. It is primarily in those areas that legislation will be necessary with extraterritorial effect, for instance in connection with air piracy and regulations for shipping. This is a very important provision, since it is clearly essential that by 1997 Hong Kong's law can be self-contained, as that law will form the general corpus of law of the special administrative region under the agreement.

Finally, paragraph 4 of the schedule accords diplomatic privileges and immunities to the five Chinese members of the Joint Liaison Group who will attend those meetings of the group which take place in London. We need to do this to fulfil our obligation under annex II to the joint declaration, which provides for the creation of a Joint Liaison Group of five British and five Chinese members to meet in London, Peking and Hong Kong. The annex provides that members of the Joint Liaison Group will enjoy diplomatic privileges and immunities as appropriate when the group meets in the three locations. Existing legislation would not cover this rather unusual category of representative, and it is therefore necessary to legislate specifically. Hong Kong will need to legislate separately to provide privileges and immunities in Hong Kong for the Chinese members of the group until 1997. Appropriate measures will have to be taken for the British members of

the group thereafter. It will be for the Chinese to provide similar privileges and immunities to the British members when the group meets in Peking.

Before concluding, I should like to say something about the future. The signature of the agreement and, I hope, the passage of the Bill, leading to ratification of the agreement, represent the beginning of a process, not the end. There is much to be done between now and 1997. It will require the closest co-operation between ourselves and the Chinese Government. It will also require the closest consultation throughout with the people of Hong Kong.

The process of consultation, which has worked so well throughout the negotiation of the agreement, will be further assisted by the progressive strengthening of representative government in Hong Kong over the next 10 years. As the House knows, the first elections to the Legislative Council will take place in September this year, and there will be a further public review of the electoral process and constitutional structure in two years' time.

The most immediate task will be the establishment of the Joint Liaison Group, provided for in the agreement. We are now actively working on this. The Governor of Hong Kong is in London this week, and my discussions with him will include this important subject. Thereafter, we shall also need to discuss practicalities further with the Chinese Government. I shall inform the House in due course of progress on this issue.

We have negotiated a satisfactory agreement for the future of Hong Kong. We have had ample demonstration that it is acceptable to this House and to the people who live there. We now need to move rapidly to ratify and implement the agreement so that the renewed confidence that has been established in the territory with the publication of the agreement and its signature can be secured and strengthened.

As I have explained to the House, paragraph 8 of the joint declaration provides that instruments of ratification shall be exchanged before 30 June 1985. It is very much in the interests of the United Kingdom and of Hong Kong that we should make as rapid progress as possible with this Bill to enable us to meet that date.

The Bill is short and straightforward. I strongly commend it to the House.

Several Hon. Members *rose*——

Mr. Speaker: Order. I should announce that I have not selected the amendment in the name of the right hon. Member for South Down (Mr. Powell).

4.6 pm

Mr. Denis Healey (Leeds, East): First, I thank the Foreign Secretary for lifting the veil on some of the matters which were left obscure in the Bill, but I regret that he did not lift the veil on rather more.

This is the last chance that the House will have to discuss the general framework of the agreement and to question the Government on some of the issues on which they were either unable or unwilling to give their views before Christmas. The Bill gives us no opportunity to discuss those issues in Committee, although it establishes a procedure for deciding other vital issues, especially nationality, on which I shall have some questions to put soon.

I should like first to raise some issues that arise with new urgency after the Prime Minister's most recent visit to Peking and Hong Kong, just before Christmas. The House has become so accustomed to U-turns and somersaults from the Prime Minister recently that it is easy to believe that she was infected by Mao Tse Tung's doctrine of permanent revolution. Indeed, she might well go down in history as the incredible revolving Maggie. There is stark contrast between her first and second visits to the far east, which were just over two years apart. The first was a disaster from every conceivable point of view. The right hon. Lady offended the Chinese Government so deeply that the possibility of any agreement over Hong Kong seemed capable of disappearing. Just the other day, the *Daily Telegraph* quoted Mr. Deng Xiaoping, the main Chinese leader, as muttering to an aide:

"I can't talk to that woman, she is utterly unreasonable."

The Prime Minister has at least one great achievement to her credit — she elicited a similar response from Senator Reagan on her visit to Washington before Christmas. He said:

"She talked and she talked—and in the end I gave up interrupting."

That is the Maggie we all know and love, especially Conservative Members on the Front Bench.

The real damage on the Prime Minister's first visit was done by her subsequent press conference in Hong Kong. Mr. David Bonavia, the staid but much respected correspondent of *The Times* in the far east, said:

"Mrs. Thatcher left the next day, somewhat like one of those typhoons which run in from the Western Pacific, leaving a trail of destruction behind them. Seldom in British Colonial history was so much damage done to the interests of so many people in such a short space of time by a single person."

The Hong Kong stock exchange collapsed and did not recover to the level at which it stood before the right hon. Lady's visit until just two weeks ago. That recovery was due to the fact that the Foreign Office has shown so much patience and skill in undoing the damage done at that time. I must say, from the Opposition Front Bench, what nobility I perceive in the patient merit of those public servants. We — and none more than the Foreign Secretary and her whom he serves—owe a great deal to all of them.

The arrangement reached general agreement both in the British Parliament and in Hong Kong as the best that could be achieved in the circumstances, and far better than anyone believed possible in the immediate aftermath of the typhoon. It is sometimes sad to reflect how much of the time of the Foreign Office during the past six years has been spent in clearing messes made by the Prime Minister. Its diplomatic triumphs, from Rhodesia to Hong Kong, have not so much increased Britain's influence in the world—that, like sterling, has never stood so low—as effected the smoothest possible disengagement from the past responsibilities of the empire. There are still some quite important tasks awaiting the Foreign Office, not least in the Falklands, where experience with Hong Kong could prove of vital importance and set interesting precedents.

The skill of our diplomatists, combined with the underlying good will of the Beijing Government, has transformed the atmosphere and offered the people of Hong Kong a far more promising future than most people expected when this act of the drama opened in the summer of 1982. But, once again, some clouds over that achievement have been cast by the Prime Minister. Just before Christmas she paid a second visit to Beijing and Hong Kong, when it was a different story. The right hon. Lady was the toast of Peking. We were told by the *Daily*

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Telegraph that she told the Chinese leaders that she fully understood China's unique concept of maintaining the territory as a capitalist enclave in a Marxist state. I wonder whether China still wishes to be regarded as a Marxist state, especially in the light of some recent articles in the Peking press about Marxism and its relevance to the modern world.

When the right hon. Lady flew to Hong Kong, it was a different story. She was as arrogantly insensitive to the views of the Hong Kong people in her second press conference there as she had been to the views of the People's Republic of China during her first visit there. In fact, she outdid even the right hon. Member for Old Bexley and Sidcup (Mr. Heath) in the chilly disdain she showed for the 5·5 million people who live in that territory. Perhaps, again, Peking has done something in bringing the Prime Minister and the right hon. Member for Old Bexley and Sidcup—who in many ways she so closely resembles—together on at least one subject in current British political concerns.

When the right hon. Lady was asked during her last press conference in Peking whether it was unreasonable for the people of Hong Kong to want actual representation on the committee drafting the basic law for Hong Kong —which will embody the agreement that she had made with the Peking Government, and which means that Hong Kong becomes a special administrative region — according to the *Far Eastern Economic Review*, she snapped:

"That is not the point. The basic law is the law of China. You would expect China to draw up the basic law . . . Some in Hong Kong found such insensitivity to their feelings frustrating, but they have long realised that if they want to extract further concessions from the Chinese leadership about their future, they have to rely on themselves and not Britin."

I shall refer later to some of the problems that that issue raises.

The second extraordinary event during the press conference in Hong Kong was not referred to or clarified by the Foreign Secretary this afternoon. According to the *Far Eastern Economic Review*, the right hon. Lady

"caused consternation among Government officials when she said that Sir Edward Youde, the Governor of Hong Kong, would be member of the Sino-British Joint Liaison Group."

The officials know, as the House knows, that for the first three years of its existence the Joint Liaison Group is to meet alternatively in Hong Kong, Peking and London before it sets up its principal office in Hong Kong in July 1988. With such a schedule, it is unlikely that the Governor would be a member of the group because that would mean his spending two thirds of his time outside Hong Kong.

The question posed by the *Far Eastern Economic Review*—and I repeat it to the Foreign Secretary—is whether the Prime Minister had a temporary loss of memory during the press conference or deliberately ignored the advice of the Foreign Office. I hope that the Minister will be prepared to answer that question when he replies to the debate.

Mr. Robert Adley (Christchurch): The right hon. Gentleman has probably done a service to the House by reminding us of the difficulties of coping with the machine-gun fire of questions during press conferences in Hong Kong. That being so, was not the Foreign Secretary wise not to try today to answer highly detailed points that might be more suitable for the Committee stage as such answers could easily be misunderstood and cause a great deal more harm than good if they were to be so misinterpreted?

Mr. Healey: I understand the hon. Gentleman's lack of confidence in the Prime Minister's ability to handle the press, and I fully share his view. The fact is that the right hon. Lady chose to address the press conference. The Foreign Secretary has held press conferences in Hong Kong during which no such unfortunate lapses occurred. The questions that I am asking the Minister to answer cannot be raised in Committee, because that will be tightly confined to the matters in the schedule. I am raising questions of wider importance, and they can be raised only on Second Reading. None of them will be unfamiliar to the Foreign Office, the Foreign Secretary or the Minister. If they have answers to the questions, there is not the slightest reason why they should not give them to us this afternoon.

I hope that the hon. Gentleman will agree that the question whether Sir Edward Youde is to be a member of the Joint Liaison Group is relevant and that there is not the slightest reason why it should not be answered by the Foreign Secretary today. Indeed, the right hon. and learned Gentleman was unwise not to answer it, in view of the consternation aroused in Hong Kong by the Prime Minister's press conference.

I hate to twist the bayonet in the wound, but I come now to the Joint Liaison Group. *The Far Eastern Economic Review* states:

"To complicate matters, Thatcher"—

I apologise for not giving the right hon. Lady her full title, but I am quoting—

"told reporters in Peking that the joint liaison group would be consulted on the pace of political reforms. There is concern in some quarters that this may mean interference by China."

I hope that the Minister will tell us precisely what is implied by that. I well understand that it will be the responsibility of the Joint Liaison Group to ensure that developments between now and 1997 do not disturb the arrangements laid down in the agreement that will be confirmed in the Bill. The Joint Liaison Group's role in overseeing the movement towards democracy or more representative government in Hong Kong is of deep concern to this House, the other place and the people of Hong Kong. We deserve some explanation about what the Prime Minister meant by that remark.

The most damaging comment on the Prime Minister's visit was the following:

"The prime minister's offhand dismissal of the issue of Britain's moral responsibility—one which Thatcher herself stressed repeatedly when she was in Hong Kong in 1982—flew in the face of generally acknowledged concern".

That compels me to make a comment on the implications of this rather unhappy story of prime ministerial intervention in the affairs of the territory. I hope that the Foreign Secretary will assure us that in future he will not allow the Prime Minister to go on barging about like Rhoda the rhino with her usual arrogant incompetence in issues which clearly she does not understand. I am sure that if the right hon. and learned Gentleman seeks such an undertaking, he will receive a lot of support in the Cabinet, not least from his successor as Chancellor of the Exchequer after the hair-raising irresponsibility of No. 10 on the exchange rate just over a week ago.

I have often expressed my qualified admiration for the Prime Minister. She has some qualities which are unique

in her Government. There is no member of her Cabinet with whom I would rather go tiger shooting, but I should absolutely insist that, before we set out together, she was taught the difference between a tiger and an elephant—particularly the elephant that I was riding. In future, when the Foreign Secretary takes the Prime Minister abroad with him, he would be wise to take similar precautions, or he could find, as he did during his last visit, that the patient work of months — indeed, years — is undone by a careless remark by the Prime Minister.

The problem is that the Prime Minister still insists on indulging favourite aspects of her personality on issues that she does not understand and too often seems to see her responsibilities for the government of this country as a monstrous ego trip.

I want to put some specific questions to the Foreign Secretary which arise out of the various outbursts by the Prime Minister during her world tour. I pressed the right hon. and learned Gentleman in December for an annual report on developments in Hong Kong which the House would be able to debate if it wished. We do not want an automatic annual debate on Hong Kong. I was not particularly encouraged by what the right hon. and learned Gentleman said this afternoon, nor was I convinced that he was totally persuaded by his own argument. His argument was that if we had an annual report on a question, it could never be discussed at another time. That argument is not worthy of consideration. The House will be able to insist on debates on Hong Kong whenever it wishes, but it is important that they are well-informed debates.

In the difficult and critical period before 1997, when sovereignty is finally transferred, it would be useful to have an annual report to Parliament. The Foreign Secretary admitted that that view is held strongly by members of all parties in another place and here. I hope that he will reflect on what he said this afternoon and come to a different conclusion later.

Sir Geoffrey Howe: I was persuaded by my own argument, and it was that that led me to make my offer to the House. My anxiety is practical. I do not wish to diminish or discourage discussions on Hong Kong. Perhaps my experience is unique, but one can become depressed by the wearisome familiarity of the structure of annual reports. They can fall into an annual rhythm, even when the scene is changing as rapidly as it is in Hong Kong. I am anxious not to condemn the reality of the subject to being encapsulated in a wearisome annual framework.

Mr. Healey: I, too, am an ex-Chancellor, but I never found the annual public expenditure reviews and Budgets to be as boring as the right hon. and learned Gentleman clearly found them at the time. Perhaps that was because of the content of the documents, not because they were annual. I hope that the right hon. and learned Gentleman will reconsider, particularly in the light of the many cases that contradict his conclusion.

Mr. Johnston: I am puzzled as to what the right hon. Gentleman thinks. He said categorically that he was not very keen on annual reports, but he also said that he was.

Mr. Healey: We often have the same uncertainty about the Foreign Secretary. He is drawing down the curtain on an episode in history which began with the opium wars. There could have been no better Foreign Secretary to perform that function than the right hon. and learned Gentleman.

Sir Geoffrey Howe: The question was not about me.

Mr. Healey: Yes, it was.

Mr. Johnston: Will the right hon. Gentleman give way?

Mr. Healey: If I misunderstood, I shall give way.

Mr. Johnston: I simply wanted to know whether the right hon. Gentleman was in favour of annual reports.

Mr. Healey: Which right hon. Gentleman?

Mr. Johnston: The right hon. Member for Leeds, East (Mr. Healey).

Mr. Healey: It is such an unfamiliar experience for me to be accused of such ambiguity that I misunderstood. Of course I am in favour of annual reports, but I believe that the House should have the right not to debate them if it does not want to do so in a particular year. That is normal. Many annual reports from the European Commission, the United Nations, the World Bank and the International monetary fund are not debated each year. I see that the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston) is now convinced, if I understand correctly that the majestic inclination of his chin signals areement rather than fatigue.

Perhaps I may continue, after being so courteously interrupted, on a question about the basic law. That issue is solely for Beijing. As I said in December, if the people of Hong Kong wish to influence it, they must approach the authorities in Peking.

One of the Peking-sponsored monthlies in Hong Kong, called *Wide Angle*, suggested that ultimately a drafting committee of 40 or 50 would be established, of whom at least 10 would come from Hong Kong. I was surprised that the Prime Minister rejected the idea of Hong Kong participating in any way in the drafting of the basic law since that article appeared before the Prime Minister's visit to Peking.

This is a matter for Peking, but have the Government any information about how the authorities in Peking propose to consult the 5½ million people who will become citizens in 1997? It would be helpful if that were known as soon as possible.

We all agreed that the Joint Liaison Group was vital to ensure orderly progress, and the initial fears about it in Hong Kong have long since disappeared. I hope that the Minister will answer the specific question that I asked about the group's role in determining the pace of political change in Hong Kong—the Prime Minister referred to that in her press conference — and tell us who will represent the British Administration in Hong Kong on it. Will Sir Edward Youde be a member, as the Prime Minister asserted in Hong Kong? Will there be scope at any stage or in any area of its work—for example, in working groups — for representatives of the people of Hong Kong to be members? We asked those questions last time, and we are still waiting for answers.

Can the Foreign Secretary or the Minister tell us what steps the Government are taking to ensure that the rest of the world allows Hong Kong to continue its membership of international organisations, such as GATT and the multi-fibre arrangement, when Hong Kong leaves British

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sovereignty and becomes a special administrative region of the People's Republic of China? I understand that Peking agrees with Whitehall that Hong Kong should remain a member of those organisations, but we have yet to hear whether the other members of those organisations take the same view. We deserve to know what soundings the Government have taken and what assurances, if any, they have so far received. The Bill does nothing to enlighten us about those issues and, as drafted, does not allow us to raise them again in Committee. For that reason, I took this opportunity to raise them on Second Reading.

The Bill establishes a procedure to deal with problems of nationality, and I am glad to say that the Foreign Secretary gave us further information about that today. These matters are of direct human and personal concern to 3 million people in Hong Kong. Above all, there is the proposed conversion of BDTC status into a new form of British nationality. We support that objective as strongly as we reject the view of the right hon. Member for South Down (Mr. Powell) that no such provision should be made. In seeking to have the Bill rejected on the ground of the procedure involved, the right hon. Gentleman is being less than candid about his real objectives, although I appreciate that this may be his only opportunity to raise the matter.

Mr. Ivor Stanbrook (Orpington): Apart from the merits of the Bill, does the right hon. Gentleman agree that it is undesirable to alter an Act of Parliament by an Order in Council made under a different Act of Parliament? That is the point of the amendment. It prevents the House from amending the alteration to the original Act of Parliament.

Mr. Healey: That is precisely the point with which I am about to deal, and which I raised with the Foreign Secretary in an intervention during his speech.

Can the Government tell us whether there is any other case of a new category of citizenship being established for members of a colonial territory through an Order in Council? I know that it has happened in the case of one or two associated states, but I do not think that it has ever happened in the case of a colonial territory. In principle, it is undesirable that it should be done in this case. However, I understand why the Government chose this route. If the House is to accept the decision, certain important conditions must be met.

I greatly welcome the fact that the title given to the new form of citizenship will be British National (Overseas). I know that the people of Hong Kong will be glad that the "British " occurs first. This was a matter of interest when BDTC status was discussed in the British Nationality Act 1981. In the end the Government had to change their view. I am glad that the Government have accepted the change, because the word "British" at the beginning of the title will increase the influence of the new status on the readiness of other Governments to accept it.

It could take years to register up to 3 million people for this new form of citizenship. Their existing status must be confirmed, and formalities will have to be gone through. What is still puzzling is that presumably the registration of people with the new status will begin well before the transfer of sovereignty in 1997. Will individuals who register early for the new status keep their existing status until the transfer of sovereignty? Do I understand that that will not be affected by their decision to opt early for the new sovereignty? That is a question of great concern to the people of Hong Kong, and it is one to which the Government should not have the slightest difficulty in replying clearly today.

My next question relates to the point raised by the hon. Member for Orpington (Mr. Stanbrook). Many Opposition and Conservative Members are worried that, by adopting the affirmative procedure of Order in Council, it will be impossible for the Government to take note of widespread and legitimate objections in Hong Kong and in the House to elements in the new status such as were successfully taken note of when we discussed the British Nationality Act 1981 and when an important change affecting British dependent territory citizens was agreed.

Can the Foreign Secretary guarantee to leave enough time between the publication of an Order in Council and debate in Parliament to allow views to be formed on the Order in Council in Hong Kong and for them to be made known to hon. Members? The discussion would be a farce unless the House and the other place were able to take into account the considered views of the people of Hong Kong. If there is strong opposition to elements in the Order in Council expressed in the debate, will the Government make provision to take the Order in Council away without a vote, revise it and bring it back? In other words, will the Government be prepared either to publish an Order in Council initially as a draft order, as the Ministry of Agriculture, Fisheries and Food already does in many cases, or at least to treat it as a draft order and be prepared to withdraw it and resubmit it if there proved to be overwhelming opposition to elements in it expressed in the House or the other place, or both? Unless the Government give these assurances tonight, I suspect that the proceedings next Monday will be more difficult and prolonged than most hon. Members would wish them to be. Similar considerations apply to any Order in Council which is made to avoid statelessness for any current residents in Hong Kong.

I hope that the Minister can give satisfactory assurances on those points and on my earlier questions. Otherwise consideration by the House of the Bill, and certainly of any future Orders in Council, will be a great deal more difficult than is necessary.

4.39 pm

Sir Peter Blaker (Blackpool, South): The House will have been amused by the long ramble taken by the right hon. Member for Leeds, East (Mr. Healey) through the gossip columns — on my reckoning, it lasted for 27 minutes — and it was grateful that, at the end of his speech, he turned his attention to the Bill.

The question whether sovereignty over Hong Kong should be transferred to China in 1997 has already been decided by the House, and almost no one in the House believes that it took the wrong decision. Opinion is almost unanimous that the agreement made with the Government of China is an excellent one that will enable the people of Hong Kong to preserve their traditional way of life. Indeed, it is a remarkable agreement, embodying as it does no fewer than 16 specific freedoms that go to make up the way of life of the people of Hong Kong.

It is becoming clear that one anxiety of the people of Hong Kong—about the durability of the agreement—has less basis than it seemed to have at one time. It is clear that the agreement is likely to last. It will last for reasons of

self-interest on the part of China: the economic self-interest; and a self-interest in the sense that it will set an example which will be relevant to the possible unification of the mainland of China and Taiwan.

Nevertheless, it was obvious from the Prime Minister's press conference in Hong Kong last month that some people still oppose the agreement. There were references in the questions asked of the Prime Minister to handing Hong Kong to a Communist dictatorship. Such questions displayed a basic misunderstanding of Deng Xiaoping's concept of, "one country, two systems." When people ask, "Can the Chinese in Peking keep their hands off religion in Hong Kong after 1997," or "Can they keep their hands off the education system," or "Will they allow private property to flourish in Hong Kong," they fail to understand what the concept of "one country, two systems" involves. It will require a self-denying ordinance on the part of the Chinese Government. China is as well aware as anyone that Hong Kong is the goose that lays golden eggs, now for its own people and also for China, but in the future increasingly for the benefit of China. The arrangement of "one country, two systems" contains an automatic goose-preserving mechanism. If the Chinese begin to meddle in the internal affairs of Hong Kong, contrary to what they have declared in the agreement, confidence in Hong Kong will disappear, the goose will grow thin and pine, and the eggs will no longer appear.

A good example of the common interest that China and Hong Kong have in the prosperity of Hong Kong occurred recently. This morning I was fortunate to talk to Sir S. Y. Chung, the senior unofficial member of UMELCO, who has come to Britain directly from Peking to be present for the debate. We are grateful to him and to other members of UMELCO for being kind enough to brief some of us during the past few days. He was in Peking to attend the signing of the agreement for the Daya bay nuclear power station. That is an enormously important project worth $4 billion.

At the signing ceremony, the Prime Minister of China made four points about the project. First, it is the largest joint venture into which China has entered since the open-door policy was adopted. Secondly, the project is bigger than all the other joint venture projects that have been signed by China during that period put together. Thirdly, it will be a catalyst that will help forward similar joint ventures. Fourthly, because most of it is financed by a loan, and that loan will be repayable from the proceeds of sales of electricity to Hong Kong, China has a built-in interest in ensuring that Hong Kong remains prosperous. Only if Hong Kong remains prosperous will China be able to service the loan. That is an interesting example—examples are happening almost every day—of the way in which the common interests of Hong Kong and China will be built up.

Recently a two-week seminar in Hong Kong was attended by representatives of the 14 cities that are now special economic zones along the coast of China. Those representatives came to Hong Kong to learn how to operate a free enterprise system, to arrange instruction in technology and to consider the possibilities of raising money. It is interesting that they came to Hong Kong, not to Shanghai or other ports on the Chinese coast, to look for those advantages. I believe that they will continue to look to Hong Kong for them.

It is worth asking ourselves whether it is right to legislate so soon after the signing of the agreement. I believe that it is the right course, because it helps to preserve certainty about the future. Therefore, it helps to sustain prosperity, because certainty is necessary if prosperity is to continue.

The economic successes of Hong Kong are remarkable. The agreement initialled in the autumn and signed in December has already had a beneficial effect on the economy. Land prices have recovered from the severe drop that they suffered some time ago. Hong Kong's exports have increased by 25 per cent. over the same period last year. Investment is coming in from the United States, and inquiries about investment are coming in from Japan.

Paragraph 2 of the schedule will be the most-discussed matter during today's debate. I am glad that the Foreign Secretary announced today the nomenclature of the new form of citizenship which will replace that of British dependent territory citizen for Hong Kong people. What time scale does he envisage for the passage of the relevant Order in Council? It has been represented to members of the Hong Kong parliamentary group that it should be passed within a year, for much the same reason as I mentioned when I congratulated the Government on introducing the legislation rapidly.

With regard to the amendment of the right hon. Member for South Down (Mr. Powell), I remember that many years ago when I was studying law lawyers used to enjoy arguing whether it was proper jurisprudentially to enable an Act of Parliament to be amended by Order in Council. But they never came to a clear conclusion, and I am not sure whether, if they set about the subject now, lawyers would come to a conclusion. However, we should bear in mind the fact that the Government have only a narrow scope when tabling the order.

My right hon. and learned Friend the Foreign Secretary has already committed himself fairly clearly to what he means by

"a new form of nationality,"

which is referred to in paragraph 2(1)*(b)* of the schedule. There is not much scope for the introduction of an order in due course which will be ultra vires, it seems to me. If the Government introduced an order which went too wide, which I take to be one of the concerns of the right hon. Member for South Down, would not the Joint Committee on Statutory Instruments draw that to the attention of the House, and would not the House therefore have an opportunity to consider whether the order went too wide?

If I have correctly understood the anxieties of the right hon. Member for South Down—

Mr. J. Enoch Powell *indicated dissent.*

Sir P. Blaker: —they should be modified by the fact that the order has to be within the terms of the Bill, and they are seen to be pretty narrow when one considers paragraph 2 of the schedule. We also have the knowledge that the Joint Committee on Statutory Instruments will examine the order when it is laid. I do not believe that the Government have a blank cheque. To put it at its mildest, it is a cheque of the kind which bears at the top, "Not above £30."

My right hon. and learned Friend the Foreign Secretary discussed whether there might be an amendment to the Bill incorporating the new name of the citizenship to be granted to the BDTC. It will be rather difficult to do that in the Bill. As I understand it, the intention of the usual channels is that the House should consider the remaining

[Sir P. Blaker]

stages of the Bill in a week's time, and I am not sure that that allows enough time to ascertain the opinion of the people of Hong Kong on the proposed name. That leaves the possibility that another place might consider an amendment. My right hon. and learned Friend referred to the possibility of the Government putting forward such an amendment in another place. But I am not sure that I would be entirely happy to leave that debate to another place and not debate it first in this House. I am inclined to say that in my view that idea is not really a starter.

Then we had a discussion about whether there would be a draft Order in Council. The Bill already provides that the order will be laid in draft, so I do not think that hon. Members are really talking about the laying of a draft Order in Council, which was the language used by the right hon. Member for Leeds, East. We shall have a draft Order in Council, anyway. The real point is the one raised by the right hon. and learned Member for Aberavon (Mr. Morris). Will the Government introduce an order in tentative form without the intention of having a vote on that occasion but in order to ascertain the view of the House? If we had a vote, it is likely that the Whips would be on, and it would be difficult to ascertain the view of the House. Therefore, I am attracted by the idea of the right hon. and learned Member for Aberavon.

I was grateful when my right hon. and learned Friend the Foreign Secretary outlined some of the relevant factors which would have to be covered by Orders in Council introduced under paragraph 3 of the schedule. The list on page 8 of the White Paper containing the agreement is a long one. We might need Orders in Council on many of the subjects there set out, including such matters as copyright, land, shipping, adherence to the GATT and the IMF, pensions of civil servants, and so on. These orders would be laid under the negative resolution procedure. I hope that the Government will be responsive if it is the wish of the House to have debates on that category of orders as well. It is important that they should take great care to see that these matters, which will come up over the next few years, are adequately discussed if that is the wish of the House. It may be necessary from time to time to have more than one and a half hours for a debate on an order. In the case of the order on the nationality question, for example, it is inconceivable that the House would be happy with a debate lasting only one and a half hours. It might be necessary to have a full day's debate.

I support the Bill. There are many tasks before China, the United Kingdom and Hong Kong over the coming years until 1997. There is the elaboration of the basic law. There is the progress towards democracy in Hong Kong. There is adherence to the international organisations. There is the work of the Joint Liaison Group. There are many other tasks. I am optimistic that these tasks will be discharged successfully and in a way which reinforces the relations between China and the United Kingdom and between both of them and the people of Hong Kong. All three of these parties are pragmatic people. I believe that they are all determined to make the agreement work. What is more, it is in the interests of all three parties that the agreement should work.

4.55 pm

Mr. John Morris (Aberavon): In the last few days I have had the pleasure of meeting a number of people in Hong Kong, especially experienced and eminent lawyers, and I am grateful to the Foreign Office and to the Hong Kong Government for making the arrangements. I was concerned to establish as far as I could — I readily concede that I could do it only on a very limited basis — any views that were held on the legal implications arising in the post-agreement period.

Other than two short visits to Hong Kong in the past, I confess that my knowledge of the situtation was limited. As a former defence Minister under my right hon. Friend the Member for Leeds, East (Mr. Healey), I had then and subsequently familiarised myself with and visited our defence establishments there, so I was not entirely innocent.

The first matter that was drawn to my attention was a concern about the basic law. It was conceded on all sides that this was a matter for the Chinese Government. It was felt that the British Government had no role in this. I was not aware of any expectations that they might have.

Nevertheless, on a matter so vitally important for the people of Hong Kong, how are their views to be made known to China? There was a wish that China should establish a proper forum so that the views of the people of Hong Kong might be received. There was also the view that nothing should be seen to be done which might poach into our responsibility over the next 12 years. Whatever fears there might be in that respect, in my view the paramountcy of the need for a proper and adequate means of ensuring that the views of the people of Hong Kong are better known outweigh some people's perception of danger.

Other than the welcome continued impetus towards democracy, about which I detected a degree of ambivalence — certainly as regards the development of collective, let alone party, views — what other machinery might be set up? I was glad to hear the affirmation today by the Foreign Secretary that the Chinese would consult in Hong Kong on a widespread basis. However, at present we are not clear how that is to be done to ensure that the views of the people of Hong Kong are fed in in the proper way before the basic law is formalised.

Another matter that causes concern is the timing of the introduction of the basic law. The legal traditions of a non-capitalist state are different from the traditions of a capitalist state or of a state with a mixed economy. To this must be added the complications of a system of law that is based upon precedent and the common law, upon which is grafted a number of statutes. The system in China is totally different from that in Hong Kong. However, a basic law has to be evolved which caters for the development and continuance of the existing laws in Hong Kong, although they will have to be changed to meet circumstances as they develop.

I was asked how the concept of judicial review would operate after 1997, in particular regarding clashes between legislation within Hong Kong and the basic law. To resolve these differences, so far as they can be resolved, will take time. However, the view expressed to me time after time was that it should not take too long. The great value of the agreement has been the diminution of uncertainty. That has been reflected in a number of ways. Reference has been made, for example, to property values and the stock exchange index. Whatever the indicators, there has been a return of confidence to Hong Kong.

Therefore, agreement on the basic law by China well before the end of this decade will give added impetus to the continued diminution of uncertainty.

Circumstances will change and develop between now and 1997. However, I suspect that the drafters of the legislation are sufficiently wise to recognise the need for flexibility in order to meet conditions between now and 1997 and to form the foundation for the period thereafter. Within these constraints, I believe that the sooner China determines its basic law the better it will be for Hong Kong.

Mr. Ivan Lawrence (Burton): Before the right hon. and learned Gentleman moves on from the very important point that he has made, will he be a little less timid and consider the possibility of advocating, as there is in America, a supreme court to rule upon any conflicts that might exist between local law and basic law and thereby resolve any differences that might arise? Unless there is machinery of that kind, surely all that the right hon. and learned Gentleman is saying is very vague and unconstructive. Surely it is bounden upon us to try to make a more constructive suggestion.

Mr. Morris: My appearance of timidity is essentially because there is ambiguity on this point. It is a grey area. I am sure that the hon. and learned Member for Burton (Mr. Lawrence) will have read the terms of the agreement. He will have learnt that appeal to the Judical Committee of the Privy Council will no longer continue. He will also have read that there is a proposal to set up within Hong Kong a supreme court which will deal, as a final court of appeal, with matters arising within Hong Kong and that the suggestion has been made that judges from outside Hong Kong should sit on such a court.

However, to turn to the point which the hon. and learned Member for Burton has made—that it is a grey area and what is to happen in future—machinery is envisaged for appeals within Hong Kong, but, as I understand it, and I should be glad if I could be corrected—I see that the hon. and learned Gentleman is nodding agreement with me—there is a grey area relating to what happens if there is any clash between the law of Hong Kong and the basic law. The basic law is paramount.

Let me take a perhaps ridiculous example, and I do so only by way of example. The agreement envisages freedom for religion. What will be the position if, because of a brainstorm, whoever is legislating in Hong Kong decides to diminish that freedom, which I hope will be enshrined in the basic law? I envisage that that would be a matter requiring some kind of machinery similar to the judicial review which we have in this country. I am glad that the hon. and learned Member for Burton has given me the opportunity to elaborate at perhaps greater length than I intended upon this matter. I hope that when the Minister winds up the debate he will give an assurance about adjudication and future possible clashes at that level—the point upon which the hon. and learned Gentleman has put his finger.

The other matter that is causing concern is the status of the new passport. I welcome the observations of the Foreign Secretary. As I understood it, he said that within a year the matter of laying an Order in Council would be determined. However, the problem is: when will it become operational? My right hon. Friend the Member for Leeds, East made this very point. Until 1997 there will be an Order in Council setting up the status of the new passport. When will people expect to have these passports, or is it envisaged that people will continue to hold their present passports for the best part of the next decade? The way in which a passport is treated by the receiving country is very important. That is the consumers' test of any passport and of any status that it seeks to cater for. Therefore, well before 1997 this problem ought to be clarified.

It will be the Government's responsibility to ensure that receiving states are made abundantly aware of the status and value of the passport so that for a number of years people can use the new passports, if they so wish, to ensure that they are properly tested by the receiving countries. When one is dealing with millions of passports, in order to avoid a hiatus it may be necessary to have a period of dual validity for both existing and new documents.

When I met distinguished members of the councils, together with the hon. Member for Welwyn Hatfield (Mr. Murphy), it was not clear whether all the stages of the Bill would be taken tonight. I said that I doubted very much whether all stages would be taken tonight. I was relieved, upon my return, to find that this would not happen. However, as the right hon. Member for Blackpool, South (Sir P. Blaker) said, it is a very short time indeed between Second Reading and the Committee stage next week for the views of the people of Hong Kong to be made known.

I hope that the managers of the business of the House will reconsider the matter so as to ensure that there is a longer time between the two stages. Although Hong Kong is only a matter of many hours flying time away, time is needed for people to form their views. The earliest opportunity that they had to see a photostat or telex copy of the Bill was just before last weekend. They are very anxious indeed to have time in which to make representations. People cannot come from Hong Kong at five minutes notice.

I trust that if representations come within the next few days the Government will be able to respond to them before Third Reading. I should be far happier if we did not rush this legislation, and did not put all our eggs into one basket and relied on matters to be further considered in the other place. This morning I had representations from the Indian community, and I am sure that other hon. Members received some as well. Representations are bound to come, and they must be given proper consideration, so that people's anxieties can be allayed.

There is a similar problem with statutory instruments. We have quite rightly been told that nationality provisions need an affirmative resolution of each House. That means a debate and, if necessary, a vote. I agree with the right hon. Member for Blackpool, South that one and a half hours may be completely inadequate to deal with all the representations. The anxiety that has been expressed about the speed of the Bill will be expressed about the publishing of statutory instruments in good time so that, before the matter is debated in the House, there is adequate time for the people of Hong Kong to make their views known.

My right hon. Friend the Member for Leeds, East spoke of draft regulations. I suggest that draft orders should have a green edge, in the same way as we have Green Papers, and should be on a tentative basis. There should be no loss of face by the Government if, when they have published and we have debated the draft instruments, so much anxiety is expressed in the House that the only proper course is to withdraw them at the end of the debate. I have

[Mr. Morris]

been here for more than a few years and have had some experience of what the Whips get up to. I fear that we shall be driven through the Lobbies far too quickly, without adequate time for the Government to reflect on the representations that are made.

I hope that we shall have an assurance from the Minister that, such is the importance of these draft instruments, and particularly as we are in partially uncharted seas, we should not make mistakes. We should be given every chance to ensure that people are not only heard but have a response from the Government on the feelings expressed in our debates. As draft orders need a negative resolution, the House will have to be on constant watch. It will be up to us to ensure that, when there is disquiet, prayers are tabled and we have the opportunity to discuss these matters and, if necessary, to reject them by a vote.

Having said that, I wish the Bill a fair wind. The Joint Liaison Group has an important role to play in the future of Hong Kong, even though the Prime Minister did not understand its role. My right hon. Friend the Member for Leeds, East referred to the Prime Minister's statement about the Governor. She said that she would be astonished if the Governor was not part of the Joint Liaison Group. Rightly or wrongly, the Prime Minister is always confident. This is a danger, as she knows very little about these matters.

The House has a continuing responsibility until 1997, both legally and morally. During that period there should be regular debates on Hong Kong and its policies and problems to show the people there that we care. I was disappointed with the argument put by the Foreign Secretary. I know the difficulty of discussing annual reports that are long out of date. He has told the House that when there is anything worth reporting it will be reported to the House. It is important that this is done, not by a statement at 3.30 pm, but through a debate, with adequate time provided by the Government, so that these matters are debated and ventilated in the House. We need better assurances from the Government tonight.

Hong Kong is a thriving part of the expanding and virile south-east Asia and western Pacific. America and Japan have not been worried about sovereignty. They have taken a greater share of the trade, development and expansion of Hong Kong. I hope that we recognise this and play our part as a trader and developer in ensuring that Hong Kong has an even greater role in raising the standard of life of ordinary people in the part of Asia well beyond its borders. The important issue is the standard of life for the people in Hong Kong and beyond, not an argument about sovereignty, which has bedevilled us for such a long time, but which has caused no anxiety to America or Japan. They have been able to snatch a growing proportion of trade in Hong Kong, a proportion even greater than ours.

5.16 pm

Sir Paul Bryan (Boothferry): It is no more than three parliamentary weeks since we discussed the subject matter of the Bill—the agreement on which it is founded—both in this House and the other place. It was debated well and fully. Taken together, those debates were the best debates that we have had on Hong Kong for many years. Over the past 10 years or so hon. Members' interest in Hong Kong has increased greatly. It has grown with the importance of Hong Kong in the world. Now we have a well-informed parliament, ready to keep its eyes on the progress in Hong Kong. We are determined to do that in the years up to 1997.

We have hon. Members who have made it their business to learn about Hong Kong; the debate in the other place showed how much people such as Lord MacLehose with his deep knowledge of the territory, Lord Home, a past Foreign Secretary, Lord Lindsay of Birker who lived in China for many years and has so much experience, and Lord Rhodes, who has taken such an interest in both Hong Kong and China, know about the area. Parliament today has a wealth of experience and knowledge on this subject, hence the quality of our debates.

The verdict of those debates was an acceptance of the agreement, an acknowledgement of the fact that it was acceptable to Hong Kong, coupled with a deep appreciation of the skill of the negotiators who achieved that agreement. Since that debate, confidence in Hong Kong, which took a turn for the better on 26 September when the agreement was signed, has continued to rise. The UMELCO speaking notes that most of us have received say:

> "Since the signing of the Joint Declaration, confidence in Hong Kong has considerably recovered".

It goes on to refer to the rising stock exhange, the firm dollar, and so on.

David Bonavia has already been quoted in the House. He has said:

> "The New Year marks Hong Kong's entry into politically uncharted waters, but its economy shows every sign of making a fast recovery from the uncertainty of the recent past."

The Hong Kong Bank, in its January report, states:

> "Hong Kong was entering 1985 with a renewed sense of confidence and optimism following the signing of a treaty with China on the territory's future after 1997."

So the progress continues. The efficacy of the Bill depends on China honouring the draft agreement, a factor which has naturally featured already in the debate. In this connection a passage from the debate in another place deserves our consideration. I quote from the speech of Lord MacLehose of Beoch. He said:

> "For a Communist Government to commit itself to maintaining this capitalist enclave may seem to some so bizarre as to be incredible, but the fact is—and I do not know how much this is generally realised — this concept is entirely consistent with Chinese policy towards Hong Kong, at least over the past 20 years."

Lord MacLehose went on to say that the characteristics of Hong Kong, as described in the joint agreement, have been permitted to exist over all these years irrespective of the regime in Peking. He continued:

> "In my years as governor I found the Chinese People's Government and its officials in Hong Kong both friendly and supportive; so there is nothing inconsistent, far less suspicious, in the Chinese Government having now volunteered that Hong Kong should continue under their flag more or less as it is since it has been their policy to accept it for so long under ours."—[*Official Report, House of Lords*, 10 December 1984; Vol. 458, c. 39.]

Mr. Deputy Speaker (Mr. Harold Walker): Order. Is the hon. Gentleman quoting a Minister or a Member of another place?

Sir Paul Bryan: A Member of another place.

Mr. Deputy Speaker: It is in order in the current Session to quote a Minister in another place, but not a Member.

Sir Paul Bryan: Thank you, Mr. Deputy Speaker. I shall not do so again.

So the changes that we are anticipating are not so sudden or out of character as some suppose. The co-partnership in industry between the two countries, about which we talk a great deal, has existed for a long time. No one has ever quite known the scale of it because it has not been over-advertised, especially when the political climate in Peking has been uncertain. There is evidence of increasing interdependence between China and Hong Kong. The meteoric growth of trade between the two countries shows how that is happening. Trade has increased fivefold in five years. In 1984, entrepot trade increased by 130 per cent. That is an illustration of what has happened with the opening of the door from China to Hong Kong.

In the course of 1984 China overtook West Germany and the United States to become Hong Kong's second and most important export market. That might be thought to be not unnatural for neighbouring countries, but in 1978, before the "four modernisations" were announced, China ranked only 37th in Hong Kong's markets. There has been an enormous increase in the connection between the two countries and Hong Kong's role as an entrepot has been transformed. Re-exports to and from China have more than doubled every year since 1978, and it was thought that they would amount to HK$25 billion in 1984.

An article on Hong Kong appeared in the *Financial Times* on 3 January. It read:

"Hong Kong will remain the main doorway to the only remaining huge undeveloped market in the world . . . People here have a shared language and culture, and they have commercial links throughout the mainland that it would take a Western businessman years to develop."

In addition, the container port is the third most active in the world and is about to become the second most active. As we heard from my right hon. Friend the Member for Blackpool, South (Sir P. Blaker), China goes to Hong Kong for its technology. The signing of the agreement on the Daya bay nuclear plant has been the most significant development for many years. When this Bill is debated in another place I hope that Lord Kadoorie, the Chairman of China Light and Power, a main partner in the project, will be there to tell us all about it.

I stress the growing interdependence between the two countries because it shows that the economic scene is changing so quickly that it is impossible to visualise Hong Kong in 1997. It is certain that Hong Kong will be a very different place when we hand over our sovereignty. We in the United Kingdom will find it hard to keep up with developments.

There are signs also that political changes may come faster than we anticipated. It was apparent during the debates in December that most of us agreed with the Green Paper produced by the Hong Kong Government on electoral reform and the subsequent plan. I understand that an unexpectedly large number of candidates are likely to come forward for district board elections, which will be taking place shortly. There is a great variety of candidates. The somewhat lukewarm interest that we assumed would be taken in the voting procedure may prove wrong, and we may have to move faster than we expected.

I was extremely glad to read in the newspapers two or three days ago that the successor to Sir Philip Hadden Lave as Chief Secretary is to be David Aikers-Jones. I am sure that those who know David Aikers-Jones will agree with me that he is an admirable choice. He has served the Hong Kong Government in the New Territories for the past 20 years and he has great knowledge of China, the Chinese language and Hong Kong. There will be general delight that he has moved into such an important post at such a critical time in the history of the territory.

Over the past year UMELCO has supplied us with three papers prior to our three debates. The changing nature and content of the papers tell the story. The first paper, which was published in May, consisted of a long list of matters of concern to those in Hong Kong, and genuine matters of concern they were. It consisted also of a long list of assurances and undertakings that they needed in the agreement. I and many other hon. Members wrongly thought that UMELCO was asking for too much. I doubted whether the Chinese Government would go that far. In the event, I was wrong, and the agreement obtained was much more favourable and much more detailed than I had ever expected.

The second UMELCO paper was published on 29 November 1984. It reflected the success as set out in the agreement. It was a reasoned paper accepting the agreement and giving the reasons for doing so. The four critical areas on which assurances had been sought had met with satisfactory assurances.

We have now been supplied with the third speaking note. It is a much shorter document than the papers which preceded it. That is because so much of what had been asked for had been granted. However, that does not mean that we are left with no worries. Most of the worries that can be dealt with by the Bill relate to nationality. The paper concentrates on the status of the new passport, nomenclature, statelessness and so on. That does not mean that they are the only remaining worries, but they are important worries with which the House must deal in the next few weeks and months. I very much hope that the Government have listened to those who have asked for sympathetic consideration of those nationality worries. For example, are we giving enough time? Would it be a good idea to put off the Report stage and Third Reading for a while so that we can hear more views from Hong Kong, as has been suggested?

But whatever happens we must remember a point that has already been made several times, and that is that during the next few years the people of Hong Kong will be watching Britain to see whether our commitment to that territory continues undiminished until 1997. Today they will be looking to see how we deal with their worries about nationality. That is the first test of commitment that we must pass. I hope that the Government will do all they can to pass that test.

5.30 pm

Mr. J. Enoch Powell (South Down): It would be wrong if the Bill were to receive a Second Reading without there being placed on record a remonstrance against what is proposed in the matter of nationality, and against the manner in which what is proposed is to be executed.

I shall deal first with the manner in which the proposal is to be carried out. I admit that when I read the White Paper that was debated a few weeks ago and saw the reference to an intended alteration of our nationality law, it did not occur to me that it would not be carried out by legislation. I am afraid I had forgotten that the Foreign Secretary is the same person as the right hon. and learned Gentleman who once devised a way whereby, through a Bill of only five clauses, the House could divest itself of all the rights that it had laboriously acquired and defended

[Mr. J. Enoch Powell]

for seven centuries. That was a much greater feat than he will achieve by relegating to an Order in Council the important alteration in our nationality law foreshadowed in the appendix to the agreement with China on Hong Kong.

It would not be true to say that there is an obligation on the Government to proceed by way of an Order in Council because an agreement is being implemented. Of course I accept that where legislation implements an international agreement into which the Government have entered it is possible to argue that the scope for the House — except by withdrawing confidence from the Government — to amend its terms must necessarily be limited or non-existent. In this instance that is not the case. The proposals on British nationality form no part of the agreement that is to be ratified. They will simply be part of one of two memoranda that will be exchanged. The agreement has left Parliament free to consider and, if necessary, to amend — if it so wishes, to reject — the alterations to citizenship alluded to in the memorandum.

My researches so far lead me to agree with the right hon. Member for Leeds, East (Mr. Healey) who said that he did not remember any case in which a new form of British nationality, a new category of British national, had been created by Order in Council, and not by legislation.

Of course, it is possible and acceptable to alter by Order in Council the contents of a schedule to a British Nationality Act so as to accord with a change in the status of a territory to which that Order in Council refers. That, too, is not what is happening in this case. Indeed, even when alterations were made to the first schedule to the British Nationality Act 1948 the Government were always punctilious to make it, and to meet its consequences, through primary legislation.

I should therefore like to put on record that the House is essentially being denied its right to proceed by Act of Parliament in creating a new category of British citizenship, and I am afraid that what seems to be a germinating agreement between the two Front Benches on an alternative is not satisfactory. The right hon. Member for Leeds, East says that if we could have a draft — presumably he means what we, under direct rule in Northern Ireland, would call "proposals for a draft" — published in advance, we could hold a debate on it, and then an Order in Council could be passed unamended. We cannot allow that to stand. We cannot allow it to be said that it is the equivalent of legislation if a Government lay a draft of an order and allow that draft to be debated before the order is brought before the House. The essence of our legislative procedure, which we have elaborated over many centuries, is that it enables us to concentrate successively on each different point that arises. Several different points relating to legislation have already been raised in the debate which it would be quite impossible, in any such procedure as appears to be gaining favour, to violate so that they could be debated separately and the Government forced to consider each on its merits. I wish to place on record that we should protest against being deprived of our right to have the law of British nationality altered only by Act of Parliament duly passed through all stages in both Houses.

I turn to the content of the proposals. We are going to create what the Bill calls

"a new form of British nationality."

Those who hold it are to be called British Nationals (Overseas). I do not think that I was mistaken — yet I had difficulty in crediting my ears — when I heard the Foreign Secretary say that that description "carries no implication of a continuing constitutional relationship". It is absolute nonsense to say that. Why, the very word "nationality", let alone "British", carries constitutional implications. In proclaiming that we are doing something that has no constitutional implications — in promising that we will create a "form of British nationality that has virtually no content" — we are using a definition that is calculated — I was going to say, to be ambiguous, but I shall go further — to deceive, that will deceive and perhaps is intended to deceive.

As we learn in the White Paper, the document that those accredited with this status are to be given is to be called a "British passport". Most people think that they know what is meant by that. Back in the 1960s most people thought that they knew. People generally — particularly those not learned in our law of nationality — would hardly credit that the "form of British nationality" that is to be created will not also convey the essential and central right of nationality, that this holder of a "British passport" can enter at will the country whose name, in the adjectival form "British" it carries.

The whole meaning and implication of a "form of British nationality" conferring the right to hold a "British passport" and conferring upon the holder the description of a "British national", is that the recipients will be British nationals in the natural acceptance of that term. Nothing said in debates in the House and no reference to other parts of our nationality will disabuse the public or the world of those notions.

Sir John Page (Harrow, West): I am listening to the right hon. Gentleman with the greatest care, but I wonder whether the word "British" has, over so many years — he has more experience of this than anybody else — retained the connotation of the British empire and Commonwealth of about 3,000 million people in 1945?

Mr. Powell: I can readily resolve the hon. Gentleman's difficulty. In 1981 we passed new nationality legislation which declared "British citizenship" and defined "British citizens" as the people who belonged specifically, and virtually exclusively, to this United Kingdom. So those who look to the word "British" will be all the more misled when they realise that we have called ourselves "British citizens" and thus — though I take no objection to it — arrogated to the United Kingdom the adjectival description of "British". I am much obliged to the hon. Gentleman for his intervention, since it enabled me to strengthen and reinforce the point that I was making.

All those who have taken part in these debates — naturally I am in agreement with them — hope for the best. We hope not only that we shall get to 1997 with this agreement intact but that the agreement will remain intact in the decades after 1997. But nobody in this House ought to be so rash as to act or legislate upon the assumption that that will be so. It is not difficult to imagine circumstances that could arise — political changes that could take place — in China, which would create an overpowering desire on the part of those holding this new status and these documents to secure admission to the United Kingdom — a country in which, despite all that is often said against it, there is a widespread desire to obtain admission

and residence. That is not intended, we are told; yet in much of the discussion that has gone on in the run-up to this legislation expressions have been used which strongly indicated that that might be envisaged. I remember the article in *The Times* on 27 September 1984 which said that we should give

"as broad definition as possible to those BDT passport holders eligible to settle in Britain under the discretionary terms of the 1981 Nationality Act."

That is a misunderstanding of the British Nationality Act, but certainly it is a misunderstanding not confined to the leader writer of *The Times*, even though the Secretary of State specifically repudiated it in his speech.

If those circumstances arise, we shall be put in the dock. We shall be told, "You chose—not as a result of an agreement with the Government of China, you chose of your own free will, on your own initiative—to create a new form of what you, not we, call 'British nationality'. So these are 'British nationals'. You chose to give them what you, not we, described officially as a 'British passport'. How then can you refuse admission to your country, the country of 'British citizens', to these people who claim a right to enter, implicit"—so it will be argued, as it has been argued in past years in other contexts —"in the very documents which you have given them."

I have no wish to see any of those who will lose their British nationality, exiguous though it is under the 1981 Act, as a result of the transfer of sovereignty made stateless. I would support any legislation designed to have that effect. I have no wish to see them in a position in which they are worse off than the citizens of any other country on the face of the earth in having no form of identification as they seek, as many of them will, to travel. What I protest against is that we should place them and ourselves in a false position which will enure, if events should be less happy than we expect, to our discredit and to their disappointment in years to come.

Mr. Ian Wrigglesworth (Stockton, South): What does the right hon. Gentleman propose should be the status of citizens of Hong Kong?

Mr. Powell: After 1997 we shall be in no position to confer upon the citizens of Hong Kong any status arising out of our national authority, out of our sovereignty, or to confer any nationality upon them through anything that this House can do. Yet I would not exclude our dealing with the problem when it is defined as potential individual statelessness—I would not reject consideration of that; statelessness would be a minority phenomenon—nor our securing international agreement to some kind of document which would give facilities to those persons on travelling. The hon. Gentleman is reinforcing my argument about procedure; for those are matters which it will not be possible properly to debate in the manner in which we debated—no one today is prepared to say that we were wasting our time in doing so—month after month and word by word the contents of the British Nationality Act 1981. We shall be denied that opportunity to consider in detail the situation of different categories of persons at present associated with the territory of Hong Kong or to find methods of defining their status, in so far as that lies with us, which do not create the openings for ambiguity, misunderstanding and deception which lie in what is proposed at present. Although we shall have a Committee stage on the Bill, it will not provide us with the opportunity to do what it is the duty of this House to do in enacting new British nationality law.

5.47 pm

Mr. Mark Robinson (Newport, West): It is always slightly daunting to follow the right hon. Member for South Down (Mr. Powell), especially when he brings a perspective to our debates which often has a slightly different sense and direction from what we have heard previously. I cannot say that I agree with the points that he raised about nationality, but my reasons will become clear during my speech.

I welcome this opportunity to speak for the first time in a debate on Hong Kong. Contrary to the *Private Eye* style of the right hon. Member for Leeds, East (Mr. Healey), who took us on a tour d'horizon of his thoughts on the contribution of my right hon. Friend the Prime Minister in the negotiations, I should like to pay tribute to my right hon. Friend and to my right hon. and learned Friend the Secretary of State, as well as to the Governor of Hong Kong, our ambassador in Beijing and their staff, who have done so much to bring this difficult negotiation to such a successful conclusion. The outcome—what we see in 1997 and beyond—will be a testimony to that agreement. It has not been easy, and the task that has been performed will be seen not just as historic but as having a special place in our experience of decolonisation.

All the previous negotiations that we have had to bring independence to other of our former colonies have not had the perspective and have not required the very special considerations of this one, not least because, rather than being a process of handing independence to a former colony, it has been a process of transferring sovereignty back to another power, and at the same time providing the conditions under which the community in Hong Kong can go on governing and existing within that system and in the style to which it has become accustomed under our own Government.

I had the opportunity to visit Hong Kong in the summer, and I pay tribute not only to the authorities there but to the Executive Council and UMELCO for the trouble that they took to ensure that I was made fully aware of their views on the developments. It has been brought home to me how important it is to keep the people of Hong Kong informed through the Executive Council about what is happening in the negotiations at every stage. The degree to which that information has been provided and the essential importance of confidentiality throughout this difficult process to ensure the success of the negotiations are not always appreciated in this country.

One of the main concerns expressed to me while I was in Hong Kong can perhaps never be legislated for in this Bill or any other legislation. The principal worry is about what will happen if the situation in China after 1997 differs from the present position. A parallel purpose to negotiations such as this one is to build trust and understanding. While bearing in mind China's record in honouring international agreements, we must not forget that Hong Kong's present position in terms of Government and the economy could have been upset by the Chinese Government at any time that that Government had the will to do so. It will be helpful to remember that aspect during the process of confidence building which will be so important both before and after 1997.

[Mr. Mark Robinson]

It is essential for the British Government to help and to be involved in that process of confidence building. I associate myself with the remarks of my hon. Friend the Member for Boothferry (Sir P. Bryan) in welcoming the appointment of Mr. Aikers-Jones as the next Chief Secretary to the Government of Hong Kong. He is well known in the former colony and the territory, and his role will be important as we move through the 1980s and early 1990s building that necessary confidence.

It is a matter not just of the British Government building confidence with the people of Hong Kong, but of building confidence between the Chinese Government and the people of Hong Kong, and that is where the drafting of the basic law is so important. I fully understand the fact that the British Government's view is that the drafting of the basic law will be a matter for the Government of China, but the way in which the Chinese Government draft that basic law, and the process of consultation with the people of Hong Kong—the words "the people of Hong Kong" are used — will be extremely important factors in determining how the people of Hong Kong view their future as they move towards 1997.

We have heard about the need to keep the House informed of developments in Hong Kong. Clearly, it is necessary for hon. Members to be kept informed by my right hon. and learned Friend the Foreign Secretary of how important developments evolve in the months and years ahead. The fact that my right hon. and learned Friend was unable to give us the title of the category determining the status of people in Hong Kong who qualify is evidence of that consultation. I do not necessarily feel that it would be right to make this report annually because we must consider what information should be included in, and what should be left out of, the report. If the House is informed of important developments as they evolve, it may help to allay the fear of some hon. Members, including myself, that Hong Kong may will not be seriously discussed in the Chamber after the passage of the Bill. Indeed, it is important for the matter to be discussed again so that the people of Hong Kong may have confidence that we are continuing to take an interest during the transition period.

I shall now consider that part of the schedule which refers to nationality. I was pleased to hear my right hon. and learned Friend the Foreign Secretary say to the House, after mentioning the title "British National (Overseas)", that this title was agreed in consultation with the Executive Council. Of course, that will create some controversy in Hong Kong, especially because "Hong Kong" is not included in the title. I hope that people in Hong Kong realise how difficult that inclusion would have been, in view of the sensitivities that would have been expressed by Beijing—hon. Members will obviously understand this—if "Hong Kong" had been used in the title after 1997.

In that respect I agree with the right hon. and learned Member for Aberavon (Mr. Morris) that it is important for the passport to come into operation not on the date on which the agreement comes into force, but well in advance. That is important not only for those who will be the beneficiaries of these documents in enabling them to become used to them and to use them, but for Governments of other countries in helping them to become familiar with the documents and accept them at their ports of entry. Documents of this nature will be of assistance and of use only if other Governments are prepared to accept them. I hope that my right hon. and learned Friend will do what he can through his good offices to ensure that the documents are accepted by other countries at ports of entry.

The procedure of an Order in Council to bring in the regulations may be unusual, but, from the outset, this process has required special and different measures from those required for other matters. So I, for one, am prepared to accept the procedure in the hope that, when the orders are laid in draft before the House, we shall have ample and adequate opportunity to debate them.

Before leaving the subject of nationality I should like to refer to a residual problem faced by the Hong Kong Government—that of the Vietnamese refugees. When I was in Hong Kong it was made very clear to me that the process of the settlement of refugees was becoming very difficult. I was asked whether it might be possible for Britain to take a few more refugees, if only to give confidence to countries such as the United States and Canada, which are still thinking of taking more refugees, but which are asking, not what the British Government have done, but what they are doing at the moment to help to solve the problem. I hope that the Minister will be able to give us some assurance on that point when he sums up.

I see the Bill as an important step in the process towards the implementation of the agreement reached with China. The step is not just important, but necessary, because, as we heard earlier, it is essential, as part of the agreement, that the Bill is adopted both by this House and by the other place by June.

I feel that the agreement will give the people of Hong Kong an excellent opportunity to continue after 1997 with the considerable achievements and way of life that they have developed. I wish them every success in that objective. With common sense on both sides, I believe that the People's Republic of China also has a tremendous amount to gain from the agreement and from its successful implementation at least during the 50-year period and, I hope, during a period longer than that envisaged in the agreement.

6.2 pm

Mr. Andrew Faulds (Warley, East): I welcome the hon. Member for Newport, West (Mr. Robinson) to that small, select club of those hon. Members who have been concerned over the years and will continue to be concerned with Hong Kong. I hope that the hon. Gentleman will take part in future debates on these issues, if we ever have the chance to debate them fully. I endorse nearly every word that the hon. Gentleman said. It is a happy change that there should be such agreement between both sides of the House.

We have done well with Hong Kong so far, both as regards Government policy and the endorsement of that policy by the House. However, we have to maintain that happy record. Confidence has flooded back into Hong Kong since the signing of the joint agreement. We, as the responsible power, have to help to maintain that confidence. We, as parliamentarians, have to show that we intend to take full parliamentary responsibility for the affairs of that territory and for the interests of its people from here on in.

I am sorry to have to say that I am not convinced that, by introducing the Order in Council procedure, we guarantee the proper parliamentary oversight of matters as

they develop with respect to Hong Kong, particularly the sensitive issues of citizenship and nationality. The Order in Council procedure suggests that the House is expected simply to endorse whatever decision the Government comes to. As I understand it, an order has to be accepted in toto or negated. There will be no real possibility of disagreement in debate requiring a review or a rethink of the Government's will. Questions of citizenship are much too sensitive and complex to be left to that somewhat "take it or leave it" method of introducing the changes in nationality law that we shall have to introduce over the next few months.

The House should and must have full powers of scrutiny, untrammelled by the restraints of the yea or nay approach that the Government want. I strongly endorse the argument put so ably by my right hon. and learned Friend the Member for Aberavon (Mr. Morris), that if the Government intend to proceed with the draft procedure plan, we should have draft orders with green edges so that the House can make its view known on these matters before the Government come here with a cut-and-dried suggestion to which we must say yes or no.

There is understandable concern in Hong Kong—it was expressed to us the other day by members of the Executive Council visiting this country—about the title of the new status. A number of names have been suggested, but—not surprisingly—not to the acceptance of all the parties. The dreadful, anonymous title of British National (Overseas) announced by the Foreign Secretary today surely cannot be acceptable. I find it difficult to accept that the members of the Executive Council who have been consulted are happy about that inexact title.

What is wrong with the inclusion of the territorial title "Hong Kong" in the nomenclature? I understand the matter of Chinese sensitivities, but perhaps on one or two issues we should argue that the people of Hong Kong have sensitivities, too. I personally do not see why the name "Hong Kong" should not be included in the title that those people are to bear as they live their lives in Hong Kong and—perhaps more importantly—travel abroad.

Mr. Tom Clarke (Monklands, West): What my hon. Friend says is very convincing. However, does he have any reason to think that the Chinese themselves would object to the nomenclature that he suggests?

Mr. Faulds: I cannot confirm or deny the Chinese view. However, it has been suggested that there might be some sensitivity on the part of the Chinese if that particular title were to be included. If there is no Chinese sensitivity perhaps we should examine the matter very carefully again.

I am worried about this matter. Surely foreign immigration officials will be less likely to question entitlements to travel or to enter if they can immediately envisage the country in question, instead of being confronted with the dreadful, anonymous title of British National (Overseas) that our Hong Kong friends must endure.

I am sorry that the Minister who is to reply to the debate is not present at the moment. There is another question that I hope he will deal with. What are the Government's intentions towards the 4,000, 5,000 or 6,000 people—mainly of Indian extraction but including a number of Portuguese and other original nationalities—who may be left in limbo as stateless persons because they are non-Chinese and live outwith Hong Kong? They must have the assurance of some protected future as recognised citizens with a specific status. I raised this point earlier today, and the Foreign Secretary's unknowing response—I am not being uncharitable—was not reassuring. I hope that the Minister will put us in the picture about the Government's intentions towards the limited number of people who may be left stateless.

Finally, it is entirely the responsibility of the Government and of the House to gain universal acceptance for the new passport. There must be no embarrassment for Hong Kongers at any immigration desk anywhere in the world. The Government has to insist on the recognition and acceptability of that new passport. It should not be issued in dribs and drabs over the years with the result that, for a considerable time, two different passports might be in use. That would lead to all sorts of questions and muddles. The new passport should be introduced over a designated and limited period. I accept that the registration of 3·5 million people in the new form of citizenship must be a longer process and start earlier.

I regret to have to say that I do not think that the Government have been sensitive enough about citizenship and nationality. Such matters will affect confidence in Hong Kong, externally and internally. That is the strongest argument for allowing the House more oversight than Orders in Council allow. The Government must think again about their intended procedure in legislating for the future state of the people of Hong Kong. That must be in allowing the House much more opportunity to debate these matters in detail before the Government come to their own decision about how they should be pursued.

6.10 pm

Mr. Robert Adley (Christchurch): I am always pleased to speak after the hon. Member for Warley, East (Mr. Faulds) in debates on Hong Kong. I agree that one of the most difficult issues concerns the non-Chinese minority in Hong Kong, especially Indians, many of whom left India before that country became independent. Unlike almost everyone else in Hong Kong, they have no citizenship or status other than as citizens of Hong Kong.

The Bill might not arouse the greatest passion in the House or in Britain, but it arouses the greatest passion in the bosoms of the Chinese people and their leaders. The treaty of Nanjing has always been regarded as a great insult. We are today taking positive legislative steps to remove an insulting blot on the history of China. I do not think that it is indiscreet of me to recall that when, about a year ago, my right hon. Friend the Leader of the House asked me whether I thought there would be trouble in the House when today arrived, I said that I did not think so because hon. Members were sensitive to the realities of the political situation and to our responsibilities towards the people of Hong Kong in so far as we could carry them out.

In view of what has been said so far, I believe that we might be criticised for losing sight of the political reality of what we are doing in terms of the Beijing Government and the British Government influencing Hong Kong. Dr. L. K. Ding, who many of us have met here or in Hong Kong, recently criticised some of the UMELCO members in Hong Kong for going to London rather than to Beijing to find answers to the questions that were worrying them. The political reality is that the ultimate answers lie outwith the ambit of the House.

[Mr. Robert Adley]

The right hon. Member for South Down (Mr. Powell) made a speech which was fair in so far as he implied that the House is in danger of misleading people in Hong Kong about what we are prepared, willing or able to give them in regard to passport status. We all know what is politically possible. We should remember that this is essentially a political Bill. The political reality is that to imply to the Chinese Government that the takeover of Hong Kong by China is so unacceptable as to be likely to cause 3 million Chinese citizens in Hong Kong to want to rush to these or other shores is deliberately and provocatively insulting to the Government in Beijing—the very Government on whom the welfare of the people of Hong Kong will depend.

Mr. Lawrence: Does my hon. Friend agree that it is important for the Peking Government to be aware of the strength of feeling in Britain, which is reflected in Parliament, and our fears? If they are aware of the strength of our feelings they are more likely, are they not, to accommodate them?

Mr. Adley: My hon. and learned Friend presupposes, as he has done many times, that the objectives of Parliament, of Beijing and of the people of Hong Kong are somehow different. We are all trying to retain the prosperity and stability of Hong Kong. One of the worst ways in which to do that is to go around insulting one of the three parties to the arrangement.

The right hon. Member for Leeds, East (Mr. Healey) was, in his customary way, robustly critical of my right hon. Friend the Prime Minister—or so he thinks. His comments made him sound like a sycophantic poodle compared to recent articles by people such as Brian Tisdall which have appeared in Hong Kong. Of all the criticisms that might be levelled at my right hon. Friend—there are many, but there is no need to repeat them—the one that cannot be levelled at her is that she does not care about the people of Hong Kong. Indeed, it could be said that her mistakes at the beginning were caused by her having too much concern for them. Her burning concern for them and their future nearly undid the conclusion of the agreement.

I mentioned the Tisdall article only because its title was, "Less Than Frank Affair". That was the point that the right hon. Member for South Down was trying to make. Everyone knows that the reality of our immigration law is at Heathrow airport rather than on pieces of paper. Nobody in his right mind, whether in Hong Kong, Britain or China, suggests that we are creating an open door policy to enable the Chinese population of Hong Kong to come to Britain. It is our duty to disabuse people of that view, if there be any.

Success for the people of Hong Kong lies not in enabling them to have a bolthole in the United Kingdom, but in retaining a prosperous, stable and free society in Hong Kong. The right hon. Member for South Down said that we should not legislate on the assumption that a future Chinese Government would wish to abide by the agreement. I disagree fundamentally. All the evidence shows that since 1949 the Government in Beijing have not wanted to disturb the status of Hong Kong. If, in the heat of their revolution and in the passion of the cultural revolution, they never lifted the telephone to turn off the water supply—the simple way in which to bring Hong Kong to its knees—there is every reason to believe that the last thing that they want to do is to disturb Hong Kong's stability.

We are right to legislate on the assumption that the Chinese mean what they say and have every intention of sticking to their policy. However, politics and certainty make poor bedfellows. That applies to any country, not merely China. I am delighted to have heard today so much enthusiasm for the agreement and the future status of Hong Kong. 'Twas not ever thus! Indeed, when two or three years ago in Hong Kong I had the temerity to say some of the things that have been said tonight, the Hong Kong Government reacted by putting the security services on to me. Nevertheless, on occasions it takes a long time for some people to learn the political facts of life.

It is proposed to create the status of British National (Overseas). In this respect I disagree with the hon. Member for Warley, East. If any title on any passport were to imply any retention of sovereignty by Her Majesty's Government after 1997, that surely would fall foul of the need to clarify beyond peradventure that Hong Kong becomes Chinese in 1997.

Mr. Faulds: I had no such intention in asking that the title of the territory should be left in the new nomenclature. There must surely be Chinese terminology for those islands which could be contained in the title. It might not be Hong Kong but something else, and would simply designate for immigration officials — who are not renowned for their high intelligence when dealing with cases under pressure — that this is the country from which these people come.

Mr. Adley: With his great knowledge of the Chinese language, the hon. Gentleman will know that the territory is known as Xianggang, rather than Hong Kong. If he seriously suggests that a passport containing the word Xianggang is likely to be decipherable to an immigration official at Heathrow, he shares a higher opinion of that official's charitableness than I do.

Mr. Faulds: I do not think that that Chinese title would be immediately recognisable by immigration officials. I am simply arguing that the retention of the name Hong Kong would be immediately recognisable, and that does not to me suggest any retention of sovereignty whatever. That would not be my wish in this matter.

Mr. Adley: I have not asked my right hon. and learned Friend, and I do not propose to do so now, whether this point has been discussed with the Government of the People's Republic of China. My own view is that it would be offensive to a Government if a part of their territory continued to appear on the passport of other nationals after that territory had reverted to their sovereignty. However, I may be entirely wrong.

Mr. Stanbrook: If there is any question of derogation of sovereignty in the eyes of the Chinese Republic, surely it is contained in the fact that 3 million people will be entitled to carry passports who will be called British Nationals (Overseas). That passport will be issued by the British Government and will entitle the holder to the diplomatic and consular protection of Her Majesty's Government around the world for at least 50 years, and the lifetime of everyone who holds such a passport. Surely that is utterly inconsistent with my hon. Friend's theory about sovereignty not being an issue.

Mr. Adley: My hon. Friend is a lawyer and I am not. We are sailing in uncharted waters and are trying to find a way of doing things which provides satisfaction to the sensibilities of different groups of people. I am prepared to accept, first, the good will of my right hon. and learned Friend the Foreign Secretary and the Minister of State; secondly, the energy which I am sure they have attached to trying to find a solution; and, thirdly, their assurances that this is the best solution that they have come up with. This is not an easy problem. I do not believe that it is a lawyers' problem. It is a political problem of great sensitivity which we have never faced before and which, we can safely say, we shall never face again.

I do not believe that 3 million, 300,000, 30,000, 3,000, 300 or even 30 Hong Kong Chinese will want to come here. However, if 3 million Hong Kong Chinese were to come here, I doubt whether there would be any increase in our unemployment statistics! Indeed, it could well be that in a short time their arrival would reduce those statistics.

There must be flexibility throughout all these discussions. The Government and the overwhelming majority of people in Hong Kong understand that. At this stage it would not be wise in any way to write into legislation words which imply that Chinese nationality and sovereignty are infringed.

The schedule to the Bill refers to the problem of statelessness, and the Government recognise that they have a role to play. I hope that it is not impertinent to suggest that the Government in Beijing may consider that they have a role to play as well. To suggest that the Chinese Government should offer citizenship to non-Chinese British dependent territory passport holders would be regarded as unusual at the very least, and probably by such people in Hong Kong as undesirable. However, I place on record my personal opinion that, if the Government of the People's Republic were to make such an offer to the Indian citizens of Hong Kong, that would go a long way towards showing their good will, good faith and willingness to bend one of the most fundamental rules of Chinese life—that Chinese race and citizenship are intermingled and exclusive.

A country such as China whose Government have shown themselves willing to produce the principle of one country, two systems might at least consider the proposition that its Government have some role to play in the future status of non-Chinese British dependent territory citizens such as the Indian population in Hong Kong.

My right hon. and learned Friend referred to future constitutional changes in Hong Kong. I do not propose to make a long speech detailing what these should be, as that would be impertinent, unnecessary and inappropriate. I believe that China wants to maintain stability and prosperity, and I also believe that she does not have a fixed and detailed idea of the precise proposals that she wishes to see introduced into Hong Kong. I do not believe that the Chinese Government have worked out a precise form of democratic change in Hong Kong which they believe to be the best answer to the problem. However, I am sure they believe that the people of Hong Kong are the best judges of what this should be.

Too much democracy could be indigestible. We are all aware that the proposition of one man, one vote immediately could leave the way open to troublemakers in Hong Kong. We all know who they are. They come from the island of Taiwan. They are extremely anxious to sow discord wherever possible between the Government of the People's Republic, the Government in London, and the people of Hong Kong. I urge caution on those who advocate immediate one man, one vote in Hong Kong.

I also urge caution, care and concern on the Government in London and the Government in Beijing. I am worried about a conflict of aspirations between the young Chinese population of Hong Kong, who so far have been denied any democracy, and the cosy stability implicit in the relationship between the British Government, the Chinese Government and the Hong Kong Administration who have carried these negotiations through. There is a demand for change among the young people of Hong Kong which is not reflected in the views that are often put to many hon. Members. This will have to be watched carefully, because the frustration of the ambitions of the young Chinese population of Hong Kong could disrupt stability.

I risk offending yet again the establishment in Hong Kong by saying that many young Chinese there look forward to the day when the Chief Secretary is not an Englishman with a double-barrelled name.

Basically, we have this agreement or no agreement. That has always been the proposition. The alternative of drifting along to 1997 and then seeing what happens is not one which any responsible politician in Britain, China or Hong Kong could possibly advocate. On that basis, I am delighted to support the Bill and I look forward to continuing our interest in Hong Kong for many years to come.

6.30 pm

Mr. Russell Johnston (Inverness, Nairn and Lochaber): The hon. Member for Christchurch (Mr. Adley) has been bold and independent in his comments for a long time, cutting a swathe through the political countryside like one of the steam trains to which he is so attached. I sometimes think that he goes a wee bit too far.

During our first debate on Hong Kong, there was a general and warm welcome for the historic negotiations. However, some people—and I am not excluded; not many democrats in other political parties would be excluded either—felt that, despite the promises, there was a residual uncertainty and doubt because we were disposing of our responsibilities for 5 million people without consulting them. I still retain that doubt, but it is part of the requisite political equipment of a Liberal to be imbued at all times with the hope that things will eventually get better.

However, even if it is a difficult issue, it should not be avoided. I accept that the Chinese Government have been responsive and flexible during the negotiations, but as the issue is of great concern to many of the people of Hong Kong it would be wrong to dismiss it.

The hon. Member for Christchurch referred briefly to a pungent article in the *South China Morning Post* on 28 December. It referred to a press conference given by the Prime Minister, to which the right hon. Member for Leeds, East (Mr. Healey) referred. The article states:

"No fewer than one quarter of the 30 questions put to Mrs. Thatcher at her press conference raised, in differing ways, the moral issues that arise, or ought to arise, out of the joint declaration.

It was in her reply to Emily Lau of the Far Eastern Economic Review that Mrs. Thatcher showed herself at her insensitive worst.

[Mr. Russell Johnston]

Miss Lau asked whether it was morally defensible to deliver over 5 million people . . . or whether it is 'really true that in international politics the highest form of morality is one's own national interests'?

By her refusal to face up to the question and its implications Mrs. Thatcher gave the unfortunate impression that she would not recognise a moral issue if it was a double-decker bus in the middle of the Sahara desert."

Mr. Adley: For the benefit of declarations of interest, it may be worth bearing in mind that Miss Lau is in the happy position of having a British husband and a British passport, which may sometimes influence her views.

Mr. Johnston: That is perfectly possible. All I am saying is that it is wrong to ignore certain facts. Unlike the hon. Gentleman, who referred to the pressure for one man, one vote tomorrow, I never found anyone in Hong Kong who put forward that point of view. It is, therefore, rather odd that he should put up that argument in order to bash it down when no one is proposing it. A great many people are concerned and worried about the future, and it would be foolish to ignore that. After all, this is the last opportunity for the House to discuss these matters in the round.

I would give general support to the pressure for an annual debate on Hong Kong. The right hon. Member for Leeds, East logically and clearly pointed out that we have annual debates on the Army, Navy, Air Force and the European Community. The Foreign Secretary appears to think that the repetitive debates on the European Community have become somewhat boring, and I have some sympathy with him. However, those debates take place every two or three months. There is a strong case for the Government being compelled on a regular basis—whether or not annual—to debate the position as it evolves in Hong Kong.

Mr. Richard Needham (Wiltshire, North): When I was in Hong Kong I met a considerable number of extremely intelligent, capable young people who wanted a one man, one vote system. That does not mean that it would be wise to introduce that system within the next three months. My hon. Friend the Member for Christchurch (Mr. Adley) was right to say that there are people, who are not extreme in any way, who want to work towards a one man, one vote society.

Mr. Johnston: That is not what the hon. Member for Christchurch said. I agree that there are people who want to work towards the phasing in of a one man, one vote society. I do not think that any of us would oppose such a move, least of all the hon. Member for Christchurch.

I wish briefly to itemise the issues of outstanding importance, and shall begin with the drafting of the basic law. That will be very difficult given the dramatic difference between Chinese and Hong Kong law, both civil and criminal. As the right hon. and learned Member for Aberavon (Mr. Morris) said, in civil law the Chinese tend to fuse the state and the Government, while that does not happen either in Britain or Hong Kong. There is no doubt also that the Chinese are far more punitive in their criminal law than has been the custom in Hong Kong. Is it possible to ensure that a Hong Kong judge or prominent lawyer is included in the drafting committee? It is important to have someone of that standing and calibre talking directly to his Chinese colleagues.

We have never really debated the position of the Governor, but it is obviously central to the form of government in Hong Kong in future. It is difficult to be clear about the independence that the Governor will have.

Knowing the Government's great belief in these matters, it is worth commenting that nowhere in the draft agreement is it said that voting in Hong Kong should be by secret ballot. That may be an oversight, but one does not usually believe that Governments are guilty only of oversight. They are usually more subterranean than that.

We are still not clear about the extent of the involvement of the Hong Kong people in the Joint Liaison Group. During the last debate there was a consensus across the House that Hong Kong people from both sides of the fence should serve on that group if possible. The right hon. Member for Leeds, East dwelt on that point at some length.

It is worth quoting again from the article in the *South China Morning Post* because of the confusion in the heart of the Government in presenting this matter, which is a bad thing. It states:

"It was on the composition of the joint liaison group that Mrs. Thatcher managed to get it so very wrong.

When she said that 'the Governor, of course, will be on it. No question. The Governor will be on it.' Sir Edward Youde tried to attract her attention but found it difficult to do so with the burly frame of her press officer, Mr. Bernard Ingham, in between.

But eventually Mrs. Thatcher got the message that the composition had not yet been decided. However, she was not to be deterred and went on: 'I should be absolutely astonished if the Governor is not on it.'

This major diplomatic gaffe has put the Foreign Office in a difficult position because there is absolutely no intention that Sir Edward will be a member."

With respect to the Prime Minister and the difficulties of flying across the world, I should have thought that it should be possible for the head of our state to get these things right. The gentleman who wrote the article summed it up rather well when he said:

"Sir Geoffrey Howe, the Foreign Secretary, sat alongside Mrs. Thatcher with his head in his hands. This may have been in part due to the fact he had been celebrating his birthday the evening before. But more likely it was because he was appalled at what he was hearing. How much better it would have been had he taken the press conference himself because he is, above all else, a decent and honest man"—

and so say all of us.

We must consider the nationality question to which many hon. Members have referred. We now have what UMELCO calls "the nomenclature". I did not know that that was the meaning of the word. The former British dependent territories citizenship will become British National (Overseas) citizenship. We must be assured that the international protection offered by that is no less than is offered by the BDTC. Indeed, I hope that the protection will be a little more.

A Hong Kong Chinese told me about his uncle who lives in the United States who wanted, as was his custom each year, to visit Mexico for a holiday. Suddenly the Mexicans decided that the BDTC was not appropriate and that he required a visa. They were willing to provide that visa, but said that he would have to wait six months. Such a practical problem is much more serious if one has to move about for business reasons. It is a problem, and I agree with what the hon. Member for Warley, East (Mr. Faulds) said about it.

Mr. James Hill (Southampton, Test): How does the hon. Gentleman visualise the conflict between the Chinese

and British Governments when discussing the merits of an exit or entry visa for Hong Kong? How will protection in any form be offered by the British Government with the new passport?

Mr. Johnston: The problem is not with the Chinese Government but with other Governments in other parts of the world. The problem exists now with BDTC passport holders, because many countries are now not so willing to let them into their countries as full British passport holders.

Mr. J. Enoch Powell: What remedy does the hon. Member propose?

Mr. Johnston: The only remedy is for the British Government, through bilateral negotiations, to persuade other Governments to treat the passport in an appropriate fashion and to allow free passage. After all, that is the whole point of having a passport. We have some responsibility towards the Hong Kong Chinese in that regard.

As the hon. Member for Warley, East said, the non-ethnic Chinese should have the assurance of citizenship. That is important. I am sure that many hon. Members have received correspondence, such as I have received, from the Council of Hong Kong Indians Association, which says:

"A typical example of an ethnic Indian, and by direct consequence of his wife and descendants, is a man born and raised in India at a time when India was still governed by the British. In 1947, at the time of Partition, he faced a choice of staying in India and claiming Indian citizenship and nationality (his birthright) or removing to another part of the Commonwealth and retaining his British citizenship and nationality (also his birthright). The ethnic Indian chose the latter and gave up his right to Indian citizenship and nationality. He did so because he thought he would be secure in being a member of that community whose way of life he had adopted, whose laws and systems he respected, whose institutions he revered and to whom he deliberately gave his allegiance."

We have some responsibility to such people.

It is clear that someone must have a care for the Vietnamese refugees who number between 12,000 and 14,000. A group of us is to see the Home Office about this matter tomorrow, and I hope that the Minister will refer to it.

For those who fear the change because of their previous loyalty to the British Crown there should be an open door. I am always unhappy to stress that, for the reasons set out so well by the hon. Member for Christchurch, because it suggests that the agreement will not work when I believe that it will. But we must insist on responsibility for those who gave us their trust. That is important.

The amendment in the name of the right hon. Member for South Down (Mr. Powell) has been referred to by many hon. Members. I agree that it is unsatisfactory for a new form of citizenship to be established by Order in Council. The right hon. Gentleman's argument is fair and right. We need an assurance that arrangements will not be rushed. I support the request for assurances that the right hon. Member for Leeds, East made in support of the amendment tabled by the right hon. Member for South Down — *[Interruption.]* The right hon. Member for South Down chuckles gently, but strange things happen in the House of Commons.

As a Liberal I cannot avoid saying that I find it sad that, despite all the principles that nations accept when they sign the United Nations charter, their leaders remain acquisitive of land and people. I suspect that an open and unpressured referendum of the Hong Kong people on their future would produce a Singapore-type solution. We shall never know whether that suspicion is right.

I wish the venture well and, from the Liberal Bench, pledge our continuing concern for the well-being of Hong Kong's citizens. We in Britain created this remarkable place and administered it quite well. However, its economic success is evidently its own achievement. The People's Republic of China has shown a great openness. I am sure that that will continue and that Hong Kong's prosperity and success will also continue.

6.49 pm

Mr. James Hill (Southampton, Test): I spoke in the debate on 16 May, but, unfortunately, I have not been involved since. My fear then was that we were rushing headlong into a debate with the Chinese Government when we held no trump cards. The House must give my right hon. and learned Friend the Foreign Secretary full praise for making the best out of a weak hand. He has achieved a diplomatic victory. For it to be accepted so far by the three parties is amazing.

The problems are just about to begin. I say that because the shadow Front Bench is not taking the subject seriously if we judge the right hon. Member for Leeds, East (Mr. Healey) on his dedication to the issue by his knockabout turn, in which there were several harmless, even well-meaning, jokes—about the elephant, for instance. He, perhaps, made a Freudian slip, but he did not present a case on behalf of the Opposition. Surely he should not have treated the issue in such a casual way when 5 million people are waiting to hear what the future holds for them. Luckily, I have never been debarred from going anywhere in Hong Kong. Certainly no security was ever put at my door. That may be because I never had the good fortune to accept Government hospitality. My many visits there were on business, and I see the matter simply from the business man's point of view.

The name of the passport is a trivial matter, but the recognition by immigration authorities throughout the world of the value placed on, and strength of resolve of the British Government for, the passport is of great importance. In Committee I hope that we shall not be over-detailed in our discussion of the trivia of what is an extremely important part of the Bill.

My impression is that sometimes we are too bland. My hon. friend the Member for Christchurch (Mr. Adley) told us how wonderful the Chinese are. It sounded as though adorable governors would take over without upsetting the apple cart and that everyone would be allowed to make money galore in Hong Kong, while on the other side of the fence Chinese citizens would see this vast wealth being created. It is obvious to any politician that radical politicians on the other side of the fence will say to the populous, "This is quite unfair. You must not let this continue. Over there, 5 million Chinese are living it up, while you are working and working." There will be political tensions, which will be exacerbated by young and up-coming Chinese politicians. That will have to be carefully monitored by the Chinese Government, and it must be seriously watched by whatever form of government there is in Hong Kong in the year 2000.

The Bill marks the end of the road. We have had discussions, and almost all hon. Members have met UMELCO members and heard their fears. Many of them

[Mr. James Hill]

do not have so many fears now. I applaud the tenacity of the Foreign Office for that, because it has done a wonderful job in reassuring them. When discussing a business entirety, such as a vast free port, which is the focus of most of the shipping in one part of the world, the difficulty is, as I know to my cost, that it can be destroyed almost overnight by the work force, poor management or political intervention.

Too little has been said in all our debates about the generator of the prosperity. Everyone is agreed that the only way to get this agreement off the ground is through increased prosperity for the citizens of Hong Kong, and for the mirror image over the border with its enterprise zones to come up strong. To do that there must be a first-class port.

Some people may think that we should not consider such trivia today as they do not relate to the broad brush of passports, the finalisation of Committee members, whether the Governor or somone else is appointed by Her Majesty, and the finalisation of the six members on each side, but wealth can be created only if the sea port operates well. First, it must remain a free port. It would be disastrous if it became anything else. Secondly, it must have an extremely good shipping register. No port is any good without ships which recognise it as their home base. Thirdly, it must have extremely good training for seamen. The dividing line there will be whether the Chinese Government step in to designate that a percentage of that training should be from citizens across the border. I correct myself. It will be not a border, but a line on the map. There will be great problems if certain shipping lines are debarred from using the port. Will the shipping tonnage of the Taiwanese be admitted, or that of South Africa or Israel? Will there be political demarcation in shipping terms?

There will be many problems. The shippers in Hong Kong are well aware of them, and so far are pleased with the provisions. The World-wide Shipping Agency has already said to my right hon. and learned Friend the Foreign Secretary that shipping is a focal point of Hong Kong's prosperity, as is the monetary system. Will the monetary system continue to be linked to the dollar? It was a wise decision a few months ago to link it to the dollar. Will that linkage to the dollar be allowed to remain, or will the monetary system change completely? If it does, there will be a breakdown in stock market participation and in prosperity for a time.

The worst problem will be the psychological problem of the families who escaped from Communist China. China is being reasonable at the moment, but it is a Communist state and people fled from it in fear. There may be nothing that those families need fear, but they still have the abiding fear that when the Communists walk in, even with smiling faces, at some date, perhaps not the same week, year or decade, they will be on a list. The Chinese Government must make it perfectly clear that there will be no victimisation, because if there were it would be fatal for the harmony and prosperity of Hong Kong.

We all know of Chinese people who are being coerced by other countries to accept their passports. It is easy for the rich to move out and to make a base elsewhere. However, for the majority of families who fled and who work in small businesses and factories, making a good income, the matter will be tinged with the fear of how the Chinese bureaucrats—not the leaders—will treat them when they want advice, travel permits or opportunities for their children.

Perhaps I am a pessimist, but I am not as pessimistic as I was on 16 May. There will be a lot of good will around, and the Chinese Government will be able to feed on it. I am sure that UMELCO and everyone else wish to make a great success of it. It must be a success, or the House of Commons will always have to bear the stigma of the Bill. I remember the euphoria with which we turned Rhodesia into Zimbabwe, but none of us would now praise what we did. We had high hopes, but we did not see what became fairly obvious after a short time. In this case, we have 12 years——

Mr. Johnston: There was no alternative with Rhodesia. We could have done nothing else. The hon. Gentleman is a practical man; he must face reality.

Mr. Hill: I am sure that the hon. Gentleman was speaking about the practicalities of the Hong Kong decision, not the Rhodesian decision. I fully accept the practicalities of the Hong Kong decision. That colony cannot remain independent when mainland China controls its water and most of its raw materials, and holds the key to the prosperity of the entire region.

I am much more hopeful now than I have been for a long time. I hope that the Chinese Government will make more positive statements to reassure those who fled China because they were anti-Communist. We must also solve the problem of the recognition of the passport and the changeover date. The latter will be one of the most difficult matters that the House must debate. We must get the wording of the Bill in order so that we shall never have to bear the stigma of having failed the Hong Kong Chinese.

7.2 pm

Dr. John Marek (Wrexham): I echo the sentiments of the hon. Member for Southampton, Test (Mr. Hill). We must succeed. If we do not, not only must the House bear a stigma, but it will have disappointed more than 5 million people in Hong Kong. However, I must take issue with the hon. Gentleman's comment that the Opposition do not take the debate seriously. The debate is crucial, because it affects the future of more than 5 million people in Hong Kong. There has been agreement on both sides of the House on the measures that have been taken and on the deal made between the People's Republic of China and the Government. I hope that the worries that are coming to the surface will not become minor disagreements, and that the House will approach the problem with a bipartisan spirit.

Conservative Members—notably the hon. Member for Christchurch (Mr. Adley)—said that we are putting right an unequal treaty. I heartily endorse that. We should be proud of the fact that in 1997 we will put right that unequal treaty.

The People's Republic of China could have put pressure on this and previous Administrations and forced them to relinquish the administration of Hong Kong, because we would not have had the will and it would not have been prudent for us to do otherwise. But the Chinese have not done so. They have encouraged our administration of Hong Kong and been pleased to see it prosper. For that

reason, I have every confidence that, after 1997, Hong Kong will continue to prosper under the conditions that China has agreed will obtain there for at least 50 years.

However, that does not mean that after 1997 we can wash our hands of Hong Kong and tell its people that they must look to their new Government for protection, advice, economic advancement and the improvement of social conditions. We shall still have responsibility, because we shall have been the colonial power there for 100 years.

At present, few people in Hong Kong know what their new status will be. Of course, we have 13 years in which to remedy that, but I believe that it should be done within the next year or two. We must inform the people exactly what we propose to do, and the Orders in Council must be passed fairly quickly. Uncertainty is bad. It will be better for the people of Hong Kong to know their status and the privileges and protection their new passport will give them. I was pleased to hear what the Foreign Secretary said about the passport this afternoon.

Of course, there is a long way to go. The new passport will be called a British National (Overseas) passport. I agree with those who said that it would be impractical to insist on the words "Hong Kong" being included on the passport. Only 400 or 500 years ago Britain controlled parts of France round the Calais area. What would the French think if we insisted on issuing British passports entitled "British Overseas (Calais)" to the people who live in that area and want to have some connection with Britain? A period of 50 years might be different from 500 years. Nevertheless, 50 years is a long time, and hon. Members must try to imagine what opinions will be in the year 2047. At any rate, there is a provision for dual nationality, with citizens of one country having nationality in another country and holding a passport of that country. The passport of the country in which he does not reside does not have the name of another country on it and, for that reason, it would be wrong to insist on including the words "Hong Kong". I believe that "British National (Overseas)" will suffice, but that is only an off-the-cuff remark, having heard the name only a few hours ago.

However, I wish to know what the people of Hong Kong think about the name. I want, not an immediate, but a considered statement from them. I am not convinced that they have been consulted enough about what will happen to them, nor that they have been able to consider carefully enough what will happen to them and to give a considered opinion. That is one criticism of the road down which we have travelled so far. I am sure that the House will wish to receive a considered Hong Kong opinion in due course.

It is important that the Orders in Council should be laid quickly so that the people of Hong Kong can consider and comment upon them. Then when we debate the orders we shall have the benefit of their opinions. That is vital. It would be quite wrong for the House to debate such a matter after only a week or two. Any such debate would not be worth listening to and would hardly be worth reading afterwards.

I also endorse fully what my right hon. Friend the Member for Leeds, East (Mr. Healey) said towards the end of his speech. If the order was not acceptable after a debate in the House, the Government should take it away without having a vote on it and bring back a suitably amended order in the light of that debate. I hope that that would not be regarded as a demonstration of any error by the Government then in office—whoever that Government might be, bearing in mind that there is a long time to go and that there will be different Governments between now and 1997. I hope that it would not be regarded as some implicit defeat for the Government and, therefore, that they would not adopt such a proposal in any circumstances. If that is how the present Government want to do it, I suggest that the order should have green edges so that, if there is a clearly held opinion in the House or in Hong Kong that it needs amending the House will be prepared to come back on another day and spend additional time debating any amended order. This is important for Hong Kong as well, because the Hong Kong people want to know whether what is to happen to them will be insisted upon by this Government and whether it will be acceptable. They will want to comment and to know that we take our decisions in the light of their comment.

I do not want to labour the point because it has been mentioned by other hon. Members, but it is important that the passport is accepted by other countries. There is an onus on the Government of the United Kingdom in office at the time to say to third-party countries that this is the British National (Overseas) passport that they intend to issue to citizens of Hong Kong and that they would like to see that passport honoured in broadly the same way as a passport for a BDTC. The Government have a responsibility to back that up with guarantees if necessary. I shall be interested to hear what the Minister thinks of that suggestion.

No one should be stateless. Guarantees should be given by the Government well in advance of 1997 that no one will be left stateless in any circumstances. Such guarantees would remove the present cloud of anxiety. It may be only a small cloud at the moment, because not enough people know what is to happen to them and what their future is likely to be, but once the people of Hong Kong realise what is to happen to them they will begin to worry. They will become apprehensive. We have to lean over backwards to reassure them. One way of doing that will be to give an absolute guarantee that no one will be left stateless and that the United Kingdom Government will do all in their power to make sure that the new passport has the same rights and privileges as the passport to which Hong Kong people have been used in the past.

I do not believe that one person, one vote should be introduced tomorrow. However, I do not say that democracy is foreign to the far east and therefore that we should not worry too much because we have administered the colony well and one person, one vote should not play a significant part in the administrative life of the colony.

We are a democratic nation. We believe in our democracy and that in time, though not necessarily tomorrow, a nation state should be governed by the democratic method of one person, one vote. In a representative democracy there are different ways for people to govern themselves in a representative manner, but the essential criterion—the bottom line—is that for one person there is one vote.

I was glad to see in the speaking notes supplied to hon. Members by the UMELCO delegation, with whom hon. Members had a brief meeting towards the end of last week, that there are already 300 candidates for the district board elections and that it is looking to about 700 candidates in due course. That demonstrates a great interest in democracy and in the principle of one person, one vote.

[Dr. John Marek]

I am in favour of that. But let us make haste slowly. It must be on the basis of an eventual representative form of government.

That has to be tied in with better consultation. I do not think that the consultation has been adequate. Cmnd. 9407 consulted. There was good faith. An attempt was made to consult in Hong Kong. But how many people did the independent monitoring team consult? Was it 3,000, 10,000 50,000 or 100,000? We must remember that there are 5 million people in the colony. I do not criticise the independent monitoring team, because within its terms of reference it did its best. When we embarked upon the first stage of introducing democracy into the colony, this form of consultation may have been the best. But the next form of consultation must be better. Eventually, the aim should be either a referendum on an issue or a direct election to some body, with the decision being made by that elected body. I do not think that there is any short cut to this. It will take time, but that is the aim that must be kept in sight.

I stress again the importance of general agreement between the two sides of the House about how this journey towards the transfer of sovereignty in Hong Kong from the United Kingdom to the People's Republic of China should go. I should like to see the two sides of the House acting in a bipartisan way on this journey. For that reason, I hope that the Government will listen carefully to what Opposition Members say. If they do not, and if we do not get a bipartisan approach in future years, it will not do the people of Hong Kong any good when a future Government say, "We are sorry. We had debates on this subject in 1985 or 1986. We do not agree with them, and we intend to change the legislation." I quite appreciate that it can be changed only to a minor extent, because it is subject to agreement between the People's Republic of China and the United Kingdom, but there can be minor changes, and the way that certain matters are dealt with up to 1997 can be changed. But it would be a tragedy if we did not act in a bipartisan way so that future Governments were forced to change their approach to this problem. If we can maintain a bipartisan approach, I am optimistic. I hope that we succeed. We have to succeed on this journey.

7.18 pm

Mr. Roger Sims (Chislehurst): The hon. Member for Wrexham (Dr. Marek) hoped that there would be a bipartisan approach to this matter. That has already been demonstrated in today's debate. The hon. Gentleman's speech was one of a number showing that, although there may be reservations on certain aspects of the Bill, such differences as there are are not along party lines and Hong Kong can know that it has friends on both sides of the House.

Shortly before visiting China with three or four parliamentary colleagues about 18 months ago I had, with them, the usual Foreign Office briefing, and it was most helpful. However, the clear advice we were given was that if the future of Hong Kong was raised in both China and Hong Kong we were to say absolutely nothing. Needless to say, in both China and Hong Kong the future of the territory was one of the main topics of conversation. In Beijing we had the opportunity to meet informally the members of both negotiating teams. They were the soul of discretion. Nevertheless, the kind of difficulties confronting them were clear. It is remarkable that in such a relatively short time an agreement emerged from those negotiations. I join other hon. Members in congratulating my right hon. and learned Friend the Foreign Secretary. He, I know, would endorse the congratulations to the members of his negotiating team who achieved the agreement. Let us also pay tribute to the Chinese team. They had to make commitments which it cannot have been very easy to make.

The process began with the visit to China by my right hon. Friend the Prime Minister in September 1982. I do not intend to continue the discussion about exactly what she said and how she said it. However, I recall that my right hon. Friend was criticised for even having raised the future of Hong Kong. She was absolutely right to do so. The inhabitants of Hong Kong were beginning to think about their future after 1997. In particular, commerce and industry in Hong Kong, which have to plan some time ahead and think of when and where they should place their investment, and upon which the prosperity of the people of Hong Kong depends, were concerned about what the future held. Events have proved that my right hon. Friend was absolutely right to take the initiative which she did. We have the agreement. It has been approved by both Houses of Parliament. The Bill is therefore the next logical step.

Paragraph 4 of the schedule refers to the Joint Liaison Group and makes it perfectly clear, as my right hon. and learned Friend the Foreign Secretary said this afternoon, that it will be composed of diplomats. A wide range of interests in Hong Kong are concerned about the future arrangments. Commercial, legal and religious interests and a whole range of organisations and individuals are involved. I assume that they will share in the work of the Joint Liaison Group by means of the sub-groups. I should be grateful if, in his reply, my hon. Friend the Minister of State could lift the veil a little more on what he anticipates will be the work of the sub-groups. I assume that membership of not only the sub-groups but the Joint Liaison Group will include Hong Kong Chinese as well as expatriate diplomats.

It is not difficult to understand the concern of the people of Hong Kong. I believe that we should be rather worried if we faced the prospect that in 12 years' time our country would be administered by a Government based elsewhere: not only a Government whose philosophy was unacceptable to us, but a Government from whose authority many of us might have fled. However, the people of Hong Kong are sensible and realistic. They have accepted the inevitability of 1997. There has been a remarkable exercise in terms of acquainting them with what has been happening and with the terms of the agreement. Simply to distribute 3 million copies of the agreement literally on the street corners of Hong Kong was quite an achievement. Efficient and effective work has been done by the assessment office. It has been able to demonstrate that the people of Hong Kong endorse the agreement. It is now incumbent upon Parliament to get the details right.

There has been understandable confusion in Hong Kong about the parliamentary procedures that surround the Bill. They are concerned in particular about the amendment that has been tabled by the right hon. Member for South Down (Mr. Powell) and my hon. Friend the Member for Orpington (Mr. Stanbrook). One can understand that the

people of Hong Kong may be confused about parliamentary procedures. We are often confused about exactly how they operate.

Unlike other aspects of the Bill, the orders dealing with nationality are to be subject to the affirmative resolution procedure. I endorse the concern which has been voiced in certain parts of the House over the fact that, at least on the face of it, it could mean that we have only an hour and a half in which to debate an order and that it cannot be amended. To be fair, in his comments this afternoon my right hon. and learned Friend said that we should have a full opportunity to debate the orders.

I hope that in the winding-up speech of my hon. Friend we shall hear just what form that full opportunity will take. It must clearly involve a debate lasting more than an hour and a half. I should have thought that it was not impossible so to organise our proceedings that we can debate a draft draft, or a proposed draft, or a consultative document so that at least the Government have the opportunity to hear the views of hon. Members on the proposals before they are finalised and we overcome the difficulty of the draft order having to be accepted in toto or rejected. I hope very much that this point will be taken very seriously and that a proposal will be made to meet these comments.

Nationality is a very sensitive issue. I hope that the Government will be able to meet UMELCO's request that it should be given priority and the matter settled fairly quickly, and that after due consideration the nomenclature can be finalised. It is also important to clarify the status of the non-ethnic Chinese in order to avoid statelessness.

If I mention the Vietnamese refugees, as has been done by several hon. Members, my hon. Friend may say that they are not relevant in this context. However, the fact is that at present there are 12,000 Vietnamese refugees in Hong Kong. Many of them will still be in Hong Kong in 1997 if the international community does nothing about them. Hong Kong has had a quite remarkable record. Well over 100,000 have been accepted into Hong Kong since 1975. Not one has been turned away. Many of them have been resettled elsewhere, some very successfully, but the movement from Hong Kong has now been reduced to a trickle. Of those 12,000 Vietnamese refugees, it is estimated that perhaps 260 will leave the territory this month. Refugees are still arriving, and those who are already there are producing children.

I have to confess to a personal interest. I have a son who is doing voluntary work in Hong Kong in what is described as a transit camp. For many of those staying there it is a transit to nowhere. My son will be coming home in the summer, having finished his period of service. He will be leaving in Hong Kong young men whom he has befriended, some of whom do not know the whereabouts of their families or, indeed, whether they have families. They face an uncertain future.

When we debated the Ethiopian famine a few weeks ago, a number of hon. Members suggested that it was the kind of issue about which we should all get worked up and then forget. I fear that there is the danger of this happening to the Vietnamese refugees, who hit the headlines a few years ago, but who have now been forgotten. At least we are in danger of forgetting them. Quite apart from the personal tragedies that this would involve, Hong Kong has willingly shouldered, but could well do without, this problem. Extra effort is needed by the Asian as well as by the European and North American powers to find a solution.

Clause 3 refers to adaptation of the law. My right hon. and learned Friend mentioned one or two of the issues that this might cover. What others are there? To what extent will orders be needed to deal with the judicial system, public service, finance and ownership of property, in addition to trade policy, shipping and aviation, which my right hon. and learned Friend implied would be covered? Will education involve orders? Will orders be made to cover the many freedoms that are detailed in the agreement? If such orders are to be made, surely they would merit the affirmative procedure. They would provide an opportunity for the House to consider them and we should not have to wait, presumably for an Opposition prayer because Government Back-Bench prayers are rarely considered, to provide the possibility of these matters being debated.

There has been pressure on the Government in the course of this debate to ensure that there are regular debates on Hong Kong. My right hon. and learned Friend showed a certain lack of enthusiasm for an annual debate, but it would be advantageous to have a debate from time to time on orders to discuss various matters.

The most important change between now and 1997 will be the move towards representative Government. Up to now Hong Kong has been a benevolent autocracy, which has worked extremely well. Until recently there has been little incentive for change in the system. One reason has been the fear that any change might be misinterpreted by Beijing. Another was that there appeared to be little pressure for a change in the system from the inhabitants of Hong Kong. Now the position has changed considerably. China wants Hong Kong to administer the special administrative region, and the Hong Kong people want to be involved.

We should not underestimate what a big step this will be for them. They will be going into uncharted territory. A few weeks ago I had the pleasure of talking to a group of Hong Kong graduates and telling them about the work of a Member of Parliament. All hon. Members frequently talk to children from schools in their constituency. However, it was only after I had been with the group for a few minutes that I realised that it had none of the background of the students to whom we normally talk. I had to start from the beginning as to what a Member of Parliament is, how he becomes one, and what work is involved. It was a completely new concept for the group. One of them even asked me why it was that we had the particular system that we have, and whether it would not be easier to have a system of organisations nominating Members of Parliament. That is extraordinary for us, but it is the sort of scheme that we are suggesting for them, and it seemed quite natural to them. I say this to show the size of the problem that confronts the people of Hong Kong in moving towards a system of representative government.

It is encouraging to learn about the way in which candidates are coming forward for the district board elections, but the path towards democracy—in the sense of representative government—will not be easy. This does not necessarily mean one man, one vote, or direct elections, straight away, and not necessarily—one hopes perhaps not—a party system. In the statement that many of us saw in November, the UMELCO members said:

> "Hong Kong must, therefore, devise its own unique style of representative government.".

That will not be easy for Hong Kong.

[Mr. Roger Sims]

Later on, talking about this Government, UMELCO says:

"The main task for Her Majesty's Government in the next twelve years is to ensure a smooth transition, so that 1997 does not represent an abrupt break with the past, but the continuation of a gradual process of evolution."

In that gradual process, the people of Hong Kong will need a great deal of help and guidance. We can assure them that they will get it. It is clear that they have confidence in the future, despite the uncertainty. Their reaction to the agreement, the continued growth in the economy, the reaction of the stock market and the way in which they are taking up the challenge of working towards representative government have made that plain.

The people of Hong Kong have many friends in Parliament, and the Hong Kong group is one of the largest. We have confidence in them, and we shall support them and help them through to 1997 and beyond.

7.35 pm

Mr. Ian Wrigglesworth (Stockton, South): The hon. Member for Chislehurst (Mr. Sims) has made a number of interesting points which I would like to comment on.

However, as I was unable to be here for the debate before Christmas because I was away on other duties, I begin by saying how much I welcome the agreement that has been reached with the People's Republic of China, and how much I congratulate the Government in Beijing, the Government here and the people in Hong Kong on the way in which this agreement has been brought about. The Government in Beijing deserve to be congratulated. They have moved a tremendous distance in accepting the contents of this agreement. I find it reassuring for the future of Hong Kong that they have been prepared to accept such a far-reaching agreement.

After a faltering start, our Government retrieved the situation, as has already been said. They have handled the matter well through to the signing of the agreement, which people in this country have been pleased to see and on which they wish to congratulate the Government. The people of Hong Kong, who are affected most by this agreement, deserve to be congratulated too on their fortitude and good sense in enduring the debate about their future without being able to have a direct impact upon it. They could have made life much more difficult, and one would not have been surprised if they had. They made their views known fairly vociferously and clearly to the House and to others, and that was a pleasing feature of the period during which the agreement was being discussed. The way in which the people and the representatives of Hong Kong conducted themselves helped to conclude the agreement satisfactorily, and on that the people of Hong Kong deserve to be congratulated.

Despite some of the reservations that have been made, I am pleased that the Government have introduced the Bill as quickly as they have. It probably would be preferable to have another week in addition to the one proposed before the Committee stage. This would give a break of two weeks before we went in to Committee and Report, and would provide an opportunity for people from Hong Kong to get through to us their views and feelings, particularly on some of the announcements made by the Foreign Secretary today. Not the least of those is the nomenclature of the new nationality. To provide us with, effectively, only five or six days to receive comments from the people of Hong Kong is too short a time.

Nevertheless, it will be for the good of Hong Kong if this Bill has a fairly speedy passage through the House, and that any uncertainty is kept to a minimum. Uncertainty is the enemy of confidence and the sooner that any uncertainty can be cleared up, within the constraints of ensuring that there is full debate with the opportunity for hon. Members to put forward their views, the better for Hong Kong.

When the Bill has passed through the House we shall have a long period of uncertainty and great sensitivity during which confidence could be shattered easily. The House, the Government and the Government of Beijing must realise that it will be a sensitive time. In some ways the position will become even more difficult as 30 June 1997 approaches and people's doubts and fears, which undoubtedly exist beneath the surface, become more and more apparent. I hope that the confidence that has returned to Hong Kong will not be disturbed during that period. I hope that our Government will do all that they can to ensure that that does not happen.

It is obvious that the Joint Liaison Group will play a major part in ensuring that confidence is retained. If differences appear and problems arise, it is to be hoped that the group will ensure that co-operation and co-ordination overcome the difficulties. It would be helpful if the Minister were to give us in his reply more details of who will be members of the group and how the group will operate. I hope that the right hon. Gentleman will be able to explain matters more clearly so that we are given a greater understanding. The more that is known about the operations of the group, the more confidence there will be in its ability to overcome problems between the passage of the Bill and 1997.

We have already seen the introduction of more democracy in the territory, and I welcome that. Indeed, I was pressing for it before it began to be introduced some years ago. I welcomed it when it first appeared tentatively under a previous Green Paper and White Paper. I should have liked to see a wider extension and I hope that that will take place in due course.

I am all in favour of there being a cautious approach so that continuity can be obtained, but I should like to see a phasing out of the appointed members in the fullness of time. I do not see why they cannot be replaced by elected members in due course. A universal franchise is the proper way in which to proceed and I rather regret the introduction of the slightly curious idea of functional constituencies, which will possibly introduce factionalism, the representation of vested interests, the representation of elites and a dual franchise, with some having two votes for representatives in the Legislative Council. A universal franchise would have been much better. We shall have an opportunity to see how the proposed system will work over the next few years and I hope that it will lead to the end of appointed members and of the system of functional constituencies.

Great interest has been shown in the elections which have already taken place and in the nominations for the 237 seats which I understand are coming up for election. I believe that there are 200 candidates and not 300, as some hon. Members have suggested. I understand also that 200 nominations were received within one week of their being invited. That is one of the signs that there is

tremendous interest in the elections. About 1·4 million have registered for voting, which is about 50 per cent. of those eligible to do so. When I was seeking the introduction of limited elections for district boards some years ago, I was told that there was no interest in democracy and that the public would not participate if they had it. The events of the past few years and the figures that I have mentioned show that there is genuine interest in the democratic process.

The hon. Member for Christchurch (Mr. Adley) rightly mentioned the aspirations of young people in Hong Kong. A high percentage of the population of Hong Kong are young people. They have been brought up to a great extent within a western culture and their aspirations are similar to those of young western people. The system of education, the television programmes and many other aspects of life in Hong Kong are similar to those that are to be found in a western society. I think that the hon. Gentleman was right to say that the aspirations of the young people of Hong Kong will need to be satisfied and that that could give rise to some problems. That is why I think that a further extension of democracy beyond that which has already taken place would be a good thing. It would help to ensure that the aspirations of the young were achieved.

The more effective the representative Government of Hong Kong are over the forthcoming period, the more likely they are to have an influence on the important basic law that will be introduced. If we have an effective and authoritative system of government in Hong Kong which clearly is representative of the people and has the confidence of the people, we can expect Beijing to take greater note of what it says than if it did not measure up to that standard.

I am sure that UMELCO representatives and others in Hong Kong will be pleased by the announcement this afternoon of the nomenclature for the new status and the assurance that the Orders in Council are expected to go through in the next 12 months. I know that UMELCO members were anxious to have those announcements. However, I take the view of the right hon. Member for South Down (Mr. Powell) and others that this is not a satisfactory procedure. Indeed, it is profoundly unsatisfactory. The system introducing the category of citizenship is unprecedented. It is unsatisfactory that we shall not have a full opportunity to debate the details and implications of the new nationality in the primary legislation. Instead, that is being left to the unsatisfactory procedure of Orders in Council, which will be virtually unamendable. This procedure will introduce uncertainty. It is open to amendment by further Orders in Council, and in that event there will not be a good opportunity for debate and amendment in this place.

I do not know whether it is too late for the Government to reconsider this approach. I hope that the opinions that have been aired from both sides of the House about the proposed procedure will lead the Government to introduce Orders in Council that have very green edges and provide an opportunity for full debate and the introduction of amendments to take account of the arguments that are advanced.

The position of the non-Chinese—the BDTCs—after 30 June 1997 is one that a number of hon. Members have mentioned. I hope that the Minister will spell out the Government's intentions when he replies. I believe that no one in this place wants to see BDTCs become stateless after 1977. I hope that the Government will spell out in more detail exactly what are their intentions under the Bill for those who may become stateless after 1997.

It has been suggested—rightly, in my opinion—that it would be helpful if the new passport and the new status could be given as an option to those who want it before 1997 so that it could run in parallel with the existing passport. That would provide an opportunity for immigration services in various countries to become familiar with it. It would ensure that there were no problems, because if there were any difficulties the other passport would still be available to make sure that entry was obtained. It would also highlight any problems prior to 1997. It would provide an opportunity for the Government to make representations to other Governments where difficulties were experienced. Thus, I hope that the Minister will give the assurance that there is a possibility of those new documents being issued to people before 1997, and that the two can run together.

I entirely agree with the hon. Member for Chislehurst about the Vietnamese refugees. If matters carry on as they have done for the past couple of years, many of those 12,000 people will still be there in 1997. I have visited the camps and know that they are pretty spartan, unpleasant places in which to spend any time. They are probably as good as they can be, but I should like to see them wound up as quickly as possible. A major effort is needed by the Government to make approaches to international organisations and new approaches to other Governments in order to try to disperse those refugees who are still living in intolerable conditions in Hong Kong, and who are putting an enormous burden on the Hong Kong people and Government. That is quite unfair and I hope that our Government will take up the issue much more vigorously and vociferously than they have done so far, and that they will put pressure on other Governments to do something about it.

I wish the Bill well, and hope that it will have a speedy passage through the House. However, I hope that we shall also have time to raise issues that people from Hong Kong as well as others raise with us. Finally, I hope that the Bill will lead—as I am sure that it will—to an orderly change-over in 1997, and to the maintenance of Hong Kong's prosperity and freedoms which it has enjoyed for so long under British rule.

7.51 pm

Mr. Ivan Lawrence (Burton): I hope that the delightful people of Hong Kong, whom many of us have met both here and in the colony, will be heartened by this debate, in which we have again shown just how much we care about the future of Hong Kong and how anxious we are to have a solution that is welcomed by them. In addition, the House has shown a bipartisan, or multipartisan, approach which is unusual for it, and which is reserved for important constitutional and moral matters. Thus I hope that the message that goes out today is one of continuing concern.

From our visits to Hong Kong in recent months we can say that the people of Hong Kong are obviously realists. They have reacted very well to the joint declaration, and the results have been most welcome. In addition, it is quite clear that the Government in Peking are realistic. I cannot pretend but to be heartened by the response of the Chinese Government to the requirements of a settlement in Hong Kong. I was one of those who believed that the proper way

[Mr. Ivan Lawrence]

of playing this was to play it long, because I did not believe that we could rely on undertakings given by a Government who would not necessarily still be in power in 1997. I think that I was wrong, and I recant——

Sir John Page: Does my hon. and learned Friend consider that there may not be a Conservative Government in power in 1997?

Mr. Lawrence: Of course a Conservative Government will be in power in this country in 1997. I have no doubt about that, and I have seen nothing in the past few weeks of parliamentary business to lead me to suppose otherwise. However, I was referring to the Government in Peking. I was about to say something that I do not normally say —that I was wrong, that I am pleased to recant and that it would be churlish of me to see the apparent good will of the Chinese Government in their dealings with Britain over the future of Hong Kong as anything other than a desire to bring about a satisfactory conclusion for all of us.

I shall comment on three matters that were raised by my right hon. and learned Friend the Foreign Secretary. They have already been much commented on, so I shall be brief. I deal first with the new nationality description. It does not seem to matter much what the description is, as long as we remember that it is important that the status should confer comparable rights and entitlements to those enjoyed at present. It is that end that we must keep in view. I am sure that my right hon. and learned Friend's suggestion as to the nomenclature will be acceptable to all parties.

For a Foreign Office Minister, my right hon. and learned Friend the Foreign Secretary was characteristically wholly defensive about the second matter, the treatment of Orders in Council when they come to be debated. I hope he will note that there is all-party concern that there should be a proper opportunity to reflect any strong feelings about these orders. It is less important how those feelings are considered than that the Minister should take into account the strength of concern on the point that such matters should be properly and fully debated. We should ensure that technicalities are not used as an excuse to cut short any consideration of those sensitive and important matters.

Therefore, I welcome the fact that statelessness is referred to in the Bill. However, the reference is unsatisfactory, in that it whets the appetite and implies that something is about to be said about the stateless when in reality nothing much is said. However, it shows our continuing concern and commitment to do something to abolish that statelessness, and that is to be welcomed.

In the context of mere references only I should have welcomed some mention of the future of Crown servants. Given the sensitivities involved, I realise that that might have been a little difficult. However, perhaps I can use this opportunity to say that Hong Kong's Crown servants have not been forgotten even though there has, to my knowledge, been no mention of them tonight. We consider it extremely important that any servants of the Crown should be treated properly, to their satisfaction, and given every opportunity of returning to this country if they find it impossible to stay in Hong Kong. Let us hope that it will not prove impossible for them to stay, but they should at least have that reassurance. Indeed, I should have liked some mention of that reassurance in the Bill, although I understand why it is not there.

One matter has caused me great concern since my visit in August to Hong Kong. I have listened to most of today's speeches, but I have heard little reference to the issue that I have in mind, and that only causes me greater concern. I refer to the question of the fundamental freedoms. Have we done, and are we doing, enough to reassure the people of Hong Kong that they will continue? I have no doubt that prosperity is likely to remain with the colony. I shall not repeat the various views and experiences mentioned by hon. Members on that point. However, that prosperity is unlikely to survive any loss of the people's fundamental freedoms—and therein lies my worry.

If the rich entrepreneurs and professionals become frightened, they will leave. If the millions who have already fled once from China take fright again and try to leave Hong Kong or to disrupt it, there will be trouble. In the violence and chaos, the economy will collapse. How can the Hong Kong Chinese be sure that China will not interfere with such fundamental freedoms as the right to free speech, the right to a free press, to freedom of travel, the freedom of investment, the right to have free trade unions, the right to have free access to independent courts and the right to have some degree of true democracy?

This is why we are so concerned. One has only to ask where in the Communist world in general or in China in particular those freedoms exist at present to understand that that is a realistic fear.

One serious problem that has not been raised or discussed today is that the Chinese probably do not, with the best will in the world, mean the same as we do by several terms that are used to describe fundamental freedoms. I doubt very much whether the Chinese understand by "democracy" what we mean by "democracy". I doubt very much whether they understand by the "rule of law" what we mean by the "rule of law". I doubt very much whether they understand by "free trade unions" what we mean by "free trade unions". One can go down the list of descriptions of fundamental freedoms. The difficulty is that when it comes to deciding what meaning is to be applied to words that may form a part in the basic law, it may be found that the fundamental freedom that we thought we were enshrining is not the fundamental freedom that the Chinese believed they were enshrining, and there will be nothing that we can do about it. That is the point.

Direct elections do not seem to command the burning support of the Hong Kong people, and without that burning zeal no Government on earth are likely to surrender substantial control over the will of the masses. Fear of ambitious rabble rousers and polarisation between the well organised Communist trade unions on the one hand and the equally well organised Kuomintang on the other is considerable among the ordinary people whom I met and talked with while I was in Hong Kong. I was told repeatedly that partial democracy with partly elected district boards, urban council and regional council electing part of the Legislative Council was "the Chinese way". Accordingly, the Peking Government will be able to appoint their own representatives to the Legislative and Executive Councils, and Communist control will be greatly facilitated. As there are unlikely to be any direct elections, that restraint upon tyranny will simply not exist.

Therefore, will China be able to resist interfering with the people of Hong Kong after 1997? Will the Chinese consider it sufficient of a triumph to be able to proclaim that Communism can live side by side by with capitalism

to maintain economic prosperity—the "one country, two systems" that we have heard so much about? I believe that it is almost inevitable that they will seek the greater triumph of trying to prove to a disbelieving world that Hong Kong can remain prosperous under a social and legal, though not necessarily economic, Communist system. Why should they not want to do so? They will want to persuade the rest of the world that Communism works; that, with its necessary economic variation, it works.

Mr. Johnston: Taiwan.

Mr. Lawrence: Taiwan is an excellent reason why the Chinese should be willing—in fact enthusiastic—to try to show that Communism will be effective in Taiwan as it is in Hong Kong.

I also fear that if sufficient people in Hong Kong feel threatened with the loss of their freedom, as everywhere else in the Communist world, they may seek to leave Hong Kong in sufficient numbers and with sufficient of their investments and technological know-how to destroy its prosperity and leave China a hollow shell.

It is certain that the Chinese will therefore have to try a little harder, perhaps a lot harder, to reassure the people of Hong Kong and international investors. There is little alternative to a commitment to a written bill of rights, and the fundamental freedoms will have to be enshrined in a constitutional document that defines the basic law. That basic law will have to be clear, detailed and as near as possible free from doubt. That may be what is intended by the negotiators. However, more than that there will need to be a proper system of guaranteeing those fundamental rights, because the Soviet Union has given us ample proof of how worthless constitutions can be without the machinery of guarantee.

Therefore, there will need to be some sort of constitutional supreme court, not just a supreme court that is the ultimate court of appeal, but a constitutional court similar to the Supreme Court in the United States. That is very different from anything in the British system, because we do not have a written constitution. Such a court, made up of judges from Hong Kong and consistent with Chinese sovereignty, would have two important tasks. One would be to resolve disputes about the meaning of the elements of the basic law, so that the differences that may exist between what we mean by phrases and what the Chinese mean by phrases were properly adjudicated upon. Secondly, it would be a function of the court to ensure that any Chinese laws, ordinances or regulations emanating from Peking would not conflict with the fundamental freedoms laid down in the basic law and written constitution.

The right hon. and learned Member for Aberavon (Mr. Morris) came close to mentioning the issue of guaranteeing fundamental freedoms, but no one else has. I consider it to be terribly important. Perhaps the negotiators are negotiating about it. Perhaps we have no reason to have such fears or doubts. Perhaps the Government in China already have a plan for making sure that those fundamental freedoms are properly enshrined and defined and will be guaranteed, but, just in case they do not, the attention of the House should be directed to the importance of the issue.

I should have liked such provisions to be incorporated into a schedule to the Bill to inspire the necessary confidence, so that all the world might see that we are not just casting away the fundamental liberties and human rights of 5 million or 6 million people who were formerly our responsibility. It might have been possible for the Government of China to agree to such an enshrinement so that they could be seen to be committing themselves with their good faith and intentions, on fundamental rights.

Of course, there can be no ultimate guarantee that the spirit, still less the actual Government of Deng Xiaoping, will survive the likely cycles of political power in China over the next 13 years, so trust and good will are of the essence. I am sure that the 40 or so British Members of Parliament who recently visited Hong Kong will confirm that the people of the colony are more worried about their freedom than about their economic future, but the two are directly linked. I am sorry that so far little has been said about the preservation of those fundamental freedoms. I hope that the Government will give an undertaking that in the negotiations that are still going on they will endeavour to get the Chinese Government to commit themselves to providing the necessary procedural guarantees.

Hong Kong's prosperity rests, in the last resort, on confidence alone. If there are no sufficient guarantees that freedom, in its various forms, will remain, that confidence will not endure past any Hong Kong spring. China will be left with that hollow shell, and its hope of technological and economic achievement in the 21st century will be dashed.

8.9 pm

Mr. Richard Needham (Wiltshire, North): I should like to confine my remarks to that part of the Bill, especially paragraph 2 of the schedule, which deals with the issue of nationality and to concentrate on the views expressed by the right hon. Member for South Down (Mr. Powell) and other hon. Members with similar views. In the Hong Kong debate on 5 December 1984, the right hon. Member for South Down said:

> "But it is one thing for the Government to say that the new status will not give these people the right of abode in the United Kingdom. It is another to ignore the increasing pressure that will be brought to bear on the United Kingdom if we confer the kind of status adumbrated in this document, to admit its holders liberally and freely to the United Kingdom from Hong Kong in coming years, both before and after 1997."

He went on:

> "By what is proposed here we are incurring a virtually unlimited, though unacknowledged, liability to cede to pressure, a liability which could be of great consequence for our own future." — [*Official Report*, 5 December 1984; Vol. 69, c. 407.]

The right hon. Gentleman has elaborated on that position today. As I understand it, it means that he and other hon. Members, including my hon. Friend the Member for Orpington (Mr. Stanbrook), are afraid that between 1997 and probably, or possibly, thereafter a large number of Hong Kong people will wish to establish a right of abode in the United Kingdom. Even if they do not wish to live here, a large number of them might want to come here. The British Government's proposals not only do not make it any less clear to the people of Hong Kong that they will not be entitled to come here, but are a move towards a liability to be pressured to allow those people to come here. I suggest that there are serious flaws in the views of those hon. Members in considering not only the people of Hong Kong but the United Kingdom.

It is argued that people will wish to come to live in Britain either because of changed economic circumstances

[Mr. Richard Needham]

in Hong Kong or because of political pressures. I say to the right hon. Member for South Down that I am completely convinced that 99 per cent. of Hong Kong people have no more wish to live in this country than his constituents have to live in my constituency or my constituents have to live in his constituency. I assure the right hon. Gentleman that, even if the Hong Kong people had to leave Hong Kong, they would prefer to go to many other countries in the Pacific basin. Current emigration patterns show that the people would rather go to Canada, the United States, Australia or Singapore. If the right hon. Member for South Down or other Opposition Members do not think that that is the case, they should give us the evidence to support their argument. To suggest that somehow Britain has an open-ended liability is to display an arrogance about the intentions of the Hong Kong people that they rightly resent.

If the argument is that people will wish to live in Britain because of economic pressures — in the past, people have emigrated from Hong Kong because of economic problems—I point out that I do not think it is likely that the British economy will do any better than the Hong Kong economy. I do not, therefore, believe that there is much likelihood of Hong Kong people wanting to come to Britain for that reason.

The not totally expressed point behind the argument of the right hon. Member for South Down concerns what happens if the political settlement that is made during the next 15 or 20 years with the People's Republic of China comes unstuck. There is a possibility that that will happen, although, for the reasons advanced by many hon. Members, it is extremely unlikely. If the worse comes to the worst and a large number of Hong Kong people decide or are forced to flee Hong Kong, what will the right hon. Member for South Down do? Will he jump to his feet and say, "We shall not have any of these people over here. We passed legislation in 1973, in 1981 and in 1985 when I was responsible for the title, 'British National (Overseas)' and, because of that success, none of you Hong Kong people can come here"? Can one imagine circumstances in which hundreds of thousands of people are floating around in small boats in the middle of the south China sea waving passports with the words, "British National (Overseas) Passport" and, "British Passport" stamped on them? Can one imagine the right hon. Member for South Down and other people saying, "We have no responsibility for these people. Our responsibility is finished, regardless of the fact that we were responsible for looking after them for many years." I do not for one moment believe that we can abjure that responsibility because of our negotiations with China.

Does anyone believe that the British people would stand for those circumstances? Will the right hon. Member for South Down stand up in front of his constituents and say that not one Hong Kong person will be allowed into the United Kingdom? That position would probably be much worse than the one we saw recently on our television sets regarding Ethiopia. I do not for one moment think that the British Government or any other Western Government would decide not to undertake an international rescue operation — such as the one undertaken with the Vietnamese boat people — to help out. It would be totally unrealistic to suppose that the British Government would not play a leading part in that operation. I do not believe one jot that that is ever likely to happen, but, even if it did, the fact is that the 1973, 1981 or 1985 legislation would not make the slightest difference to the action we would take in those circumstances.

The right hon. Member for South Down asked the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston) what his remedy was. I invite the right hon. Member for South Down to reply to the question the hon. Member for Stockton, South (Mr. Wrigglesworth) asked him: what is the right hon. Gentleman's remedy? I believe that I heard the right hon. Member for South Down say from a sedentary position that, if the people of Hong Kong were forced to flee, he would not want any of them to have a place here.

Mr. J. Enoch Powell: We should not have provided those people with the status or documents that implied that we had a special responsibility greater than that of any other nation on the face of the earth.

Mr. Needham: Of course we have a special responsibility, because of our history, and I am proud that we should live up to it.

The right hon. Gentleman's position and arguments present this country with some problems. The people of Hong Kong take the view that a country some of whose most important political leaders would clearly stop at nothing to keep them out in any circumstances is no great friend of theirs. It is understandable that they should take that view.

However, trade between the United Kingdom and Hong Kong is extremely important. In the most recent year for which we have figures, exports from the United Kingdom to Hong Kong were worth £667 million, and imports were worth £944 million. That is an export-import ratio of 71 per cent., which is only bettered by our ratio with the United States—with the strength of the dollar that is not surprising—and with France. Our trading position with Hong Kong is better than that with Italy—although, of course, the volume of trade is not so large—or with the Federal Republic of Germany, and bears no comparison whatever with trade with Japan.

Mr. Nicholas Budgen (Wolverhampton, South-West): All my hon. Friend's arguments would apply to an even greater extent to our former relations with the Indian sub-continent. Would my hon. Friend claim that, in so far as we made any mistake on the question of immigration from the sub-continent, it was that we should have been more liberal in our attitude towards immigration?

Mr. Needham: There is a considerable difference between granting independence to a nation that demands it and handing over 5 million people who have not been consulted—as my hon. and learned Friend the Member for Burton (Mr. Lawrence) and others have said—when there is no evidence to show that, given a choice, they would necessarily take this road.

It is not only the trade figures that are important. There is a direct impact on hon. Members' constituencies. Some of the commercial and industrial deals done with Hong Kong recently have been on a very large scale. For instance, there is the £2 billion project for the construction of Castle Peak power station. In my own constituency, the order for the mass transit railway for Hong Kong has created many jobs.

Furthermore, we all hope and believe that China will be opened up further. Hong Kong will be the front door

in that process, and the influence of the people of Hong Kong in placing contracts, tendering and in general easing commercial relations with China for British business men will be enormous. That process will not be assisted by the attitude of the right hon. Member for South Down.

Two specific examples may illustrate the reason why the British are not privately as well thought of in Hong Kong as they might be. I am glad to see that my hon. and learned Friend the Minister of State, Home Office is here. I have a Hong Kong business friend who happens to be a British citizen, as does his wife. He has a son who was born in Hong Kong and is, therefore a BDTC. No doubt he will soon become a BMO—which I hope will not be changed to "Beano". What will happen to that family? There is a second son who was born in the United Kingdom. He is also a British citizen. If anything happened, three members of the family would be entitled to come to the United Kingdom, and the fourth would not.

My hon. and learned Friend will say that the Home Secretary has discretion in such cases. However, in 12 years' time the boy will have grown up. Can we be certain that the Home Secretary would use his discretion if the boy were no longer living at home? Such are the arguments that understandably consume conversation among those in Hong Kong who are not completely certain about their future.

My second example is close to home for the right hon. Member for South Down. One of the largest manufacturers of watches in Hong Kong wanted to set up a factory in Europe. He considered setting it up in the United Kingdom. No doubt he could have been persuaded to set it up in Northern Ireland. However, he found that the rules and regulations surrounding coming to the United Kingdom, the bureaucratic way in which they were enforced and the amount of money that he had to show were such that it was incomparably easier for him to set up in the Republic of Ireland. A factory making watches and providing 60 jobs is now sitting outside Dublin, selling watches throughout Northern Ireland and the United Kingdom, when it could equally well have been set up in the right hon. Gentleman's constituency or in mine.

Mr. Budgen: Will my hon. Friend give way?

Mr. Needham: No. My hon. Friend has not listened to the debate. He has already intervened once. I am delighted that he is here and is making such a useful contribution.

I had intended to call in aid the arguments of the right hon. Member for Leeds, East (Mr. Healey). However, now that I have heard the right hon. Gentleman say that he is in favour of shooting both tigers and elephants, I am not sure that I should do so. Having also heard him refer to President Reagan as Senator Reagan on the very day of his second inauguration, I could only say to the right hon. Gentleman — were he here — that if he had been in charge of the negotiations he would have given a completely new meaning to the phrase, "a bull in a china shop".

In the debate on 5 December the right hon. Gentleman said:

> "However, many of those people have skills and energies that could contribute greatly to Britain's economy and social progress . . . We should not be indifferent to the contribution that Chinese people from Hong Kong can make, although we cannot issue any blank cheque to accept as many of them as might wish to come here at any one time."

Later on the right hon. Gentleman said that

> "we should be prepared to accept them, on a case by case basis, as the Americans have accepted hundreds of thousands of Asians from other western Pacific countries since the war."—[*Official Report*, 5 December 1984; Vol. 69, c. 401-4.]

We cannot compare ourselves with the United States, but we should do what we can to accept people who will come to this country, invest here and bring jobs. Why does a Hong Kong resident have to find £150,000 to come here, whereas in the case of the United States the amount is only £40,000? I am not sure. Furthermore, the cavilling by the right hon. Gentleman and others — the implied assumption that large numbers of people will want to come here — is degrading to the people of Hong Kong and also gives other countries the impression that they, too, may suffer a massive influx unless they take similar action.

The hon. Member for Inverness, Nairn and Lochaber mentioned a friend of his who tried to go to Mexico but suddenly found that a visa was required. There are many other stories of people living in Hong Kong who are obliged to get visas to visit countries which have never required them before. One can understand the frustration of members of a nation based upon trade and commerce, who want to move around the world, when the behaviour of certain sections of British society denies them the ability to do so.

For practical, commercial, political and moral reasons we should support what the Government are trying to do. I accept that the legislation is not legally or jurisprudentially—if there is such a word—as neat and tidy as it might be. However, it is overwhelmingly right that we should do what we can for the people of Hong Kong. I welcome the fact that they will be called British nationals.

8.18 pm

Mr. Ivor Stanbrook (Orpington): I apologise for my absence during the earlier part of the speech by my right hon. and learned Friend the Foreign Secretary.

I support the main principle behind the Bill, but I strongly object to the way in which the Government propose to introduce alterations to our nationality law. My hon. Friend the Member for Wiltshire, North (Mr. Needham) devoted most of his speech to an argument in favour of a more liberal immigration policy. The Bill contains many more problems than are to be found in immigration policy alone. One of those problems is the way in which the Government are proposing to amend an important body of law which we eventually managed to codify after much delay, thought and consideration quite recently. Britain had no proper system of nationality law until 1948. It was previously supposed that everyone who was born in the United Kingdom or its territories was a British subject. Only when certain of our colonies achieved independence, whereupon they had dominion status, did it seem necessary to distinguish their nationality from ours. We evolved the notion that each Commonwealth country, on attaining independence, had its own citizenship. We all had British subject status, but for the United Kingdom and colonies there was citizenship of the United Kingdom and colonies. That appeared to cover the problem satisfactorily, apart from the fact that nearly 1 billion people around the world were entitled to the status of British subject until 1981, when we finally resolved the problem and said that only people with a connection with the United Kingdom were entitled to British citizenship.

[Mr. Ivor Stanbrook]

The word "British" is significant and will remain of great practical significance in all developments resulting from this Bill. In the British Nationality Act 1981, we worked out three categories of British citizenship. First was British citizenship, which applied to people with connections with the United Kingdom, second was British dependent territory citizenship, which applied to inhabitants of British colonies, and third was British overseas citizenship, which was reserved for people who still had a right to call themselves British, derived from the fact that they were previously inhabitants of a British colony that had attained independence.

When we passed the 1981 Act, we thought that we had resolved the problem and that the relics of empire, as the right hon. Member for South Down (Mr. Powell) called them in Standing Committee, would gradually be phased out. That included the status of British overseas citizenship. In their approach to finding a solution to the problem of what to do with the millions of people in Hong Kong now that Hong Kong is to lose its status as a colony, the Government seem completely to have ignored the scheme of the British Nationality Act 1981. Instead of introducing a Bill to amend that Act, they have adopted this device of subordinate legislation in a Bill which is not concerned primarily with nationality to amend nationality law.

My hon. Friend the Member for Newport, West (Mr. Robinson) said that Hong Kong is a special case, but special cases do not necessarily justify breaking our known constitutional rules and conventions. Why is it necessary for nationality law to be amended by an Order in Council which is provided by a Bill concerning Hong Kong? I have heard no explanation for the device. It will result in a shortened debate and means that the Government can say, "Take it or leave it—you cannot amend it." I believe that hon. Members on both sides of the House might regret their mute attitude on this issue. Why on earth have the Government resorted to this constitutional device to avoid a Bill having to be presented to the House and amended according to normal constitutional procedures?

A clause which allows for subordinate legislation to amend an Act is known to academic writers as a Henry VIII clause because he used the device often to legislate without having to ask the House of Commons. If the Government regard this as a proper precedent for changing our law, we might be in great trouble sooner than we think. What applies to nationality law could apply to those parts of our law which concern the liberty of the individual and the freedom of citizens.

Opposition Members seem to think that it is enough to say, "Oh, but we can have more than our normal one and a half hours to debate the Order in Council, or perhaps we can have a draft Order in Council so that it can be considered." That is no excuse for allowing an Order in Council to amend substantive legislation. The Government should be required to take out the schedule and other parts of the Bill which refer to nationality and to amend the British Nationality Act 1981 properly through an amending Bill.

One of the correct things that the right hon. Member for Leeds, East (Mr. Healey) said is that there is no precedent for creating a new category of citizenship, least of all by Order in Council. In the British Nationality Act 1948, we gave separate citizenship to British subjects around the world according to where they lived. The device has been used not to introduce a new status of citizenship, which would be logical and in accordance with the plan of the 1981 Act, but to introduce something completely different —British National (Overseas). What on earth is that? The very word "British" tells 3 million people in Hong Kong that after they cease to live in a British colony they will nevertheless be British. Could anything be more absurd than their being British after they become Chinese nationals, even in our eyes? Moreover, they will have the benefit of British passports. They will be able to travel around the world as British Nationals (Overseas). They will not travel as British citizens or as Commonwealth citizens or as any of the categories that we provided in the 1981 Act. That is logically indefensible. This has nothing to do with immigration, although my hon. Friend the Member for Wiltshire, North has lambasted me and the right hon. Member for South Down on the subject of immigration.

Whatever the subject we must not make bad law. The legislation that the House makes must be as good as we can make it. It must be obvious that this little bit is bad, especially by making it in this way. How on earth will we avoid the problems that will arise from there being more than 3 million people calling themselves British who, according to us, are entitled to call themselves British, who carry passports saying that they are British yet who are not entitled to live in this country? That is a serious matter. If, as many of my hon. Friends and Opposition Members believe, the European Convention on Human Rights should be incorporated into our law, that means the fourth protocol, which states that a man has a right to live in the country of his nationality. That means British nationality for those 3 million or more people.

Mr. Johnston: The hon. Gentleman is shifting his ground. He stands on solid ground when he says that one should not make changes in nationality by Order in Council, but he is now saying that the whole concept of British National (Overseas) is absurd and that it will cause all kinds of difficulties. What kinds of difficulties?

Mr. Stanbrook: If the hon. Gentleman will allow me, I shall illustrate that point.

Sir John Page: I hope that my hon. Friend does not go on for too long.

Mr. Stanbrook: As my hon. Friend the Member for Harrow, West (Sir J. Page) is a great friend of mine, I shall respect what he says.

Under the British Nationality Act 1981 there were three categories of citizenship. The third envisaged the sort of situation which now arises for the people of Hong Kong —the category of British overseas citizens. Generally speaking, those people live in the far east. There are more than 1 million in Malaysia and Singapore. They are not entitled to the right of abode in the United Kingdom, but they have the right to British passports. They may not have the right of abode in the countries in which they live, but their children, having been born in those countries, will be entitled to local citizenship. In many cases, these people have not been given their own local citizenship. However, that is the residuary category provided by our existing nationality law.

Why have the Government not adopted that category for the people of Hong Kong? Why have they gone in for

a completely different category with a different title, which is more likely to mislead rather than clarify? Such people in Hong Kong will have two passports, one from the People's Republic of China declaring them to be Chinese nationals and no doubt requesting such assistance as might be afforded to them, and the other a British passport. They will be declared to be British Nationals (Overseas) and no doubt the Foreign Secretary will command and request that all such help should be given to the holders of such passports. That must give rise to problems around the world. No wonder so many hon. Members, including the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston), wanted somehow to bring in this new citizenship so that the passports would be recognised.

However, all those people have the right to passports now as British dependent territories citizens. It is of no assistance to the people concerned to ask them to carry the new document declaring them to be British Nationals (Overseas). If they do so, they will not have the protection of the Chinese before 1997, although they will thereafter. Far better, therefore, that the change should come then.

Why should we, in relation to Chinese nationals, be so concerned that countries outside China should recognise our passport as if those people were genuinely regarded as British citizens? That is a snare and a delusion. It is unfair and dishonest. It is extremely unkind on the people concerned. That is my basic argument, and it has nothing to do with immigration.

The ethnic Chinese can, I believe, all be accommodated within the citizenship provisions to be made by China. But we understand that 6,000 people will not be Chinese nationals and will not be regarded as Chinese compatriots. Most of them are Indian citizens or Indians who will be eligible for Indian citizenship. There are hundreds of others who in some cases have derived their British nationality from naturalisation followed by the birth of their descendants in Hong Kong. Many of those people, if not most, have no other connection with the far east, save their physical presence in Hong Kong. Many are responsible for the great prosperity that Hong Kong now enjoys. They will be an asset to this country, and to that extent I agree with my hon. Friend the Member for Wiltshire North. I for one would not deny them the status of British citizens if they apply for it. However, we must not muddy the waters when a problem such as this demands clarity. It is not right, fair or kind on the people concerned to treat them in this way.

In deference to my hon. Friend the Member for Harrow, West, my last point relates to the public service of Hong Kong. I have mentioned this before, but I must keep on mentioning it, if only to ensure that my right hon. and learned Friend the Foreign Secretary does not forget it. The Overseas Civil Service of Hong Kong deserves to be treated no less favourably—I declare an interest as a pensioner of the Overseas Civil Service of Nigeria—than civil servants in other colonies that have now received independence. The situation for those in Hong Kong is different in that the change of Government will not occur for 12 years. In Nigeria and elsewhere the change of Government came fairly soon after the constitutional conferences which anticipated independence. Nevertheless, members of the Overseas Civil Service in Hong Kong have a right to know that their interests will be safeguarded in respect of promotion, transfer and pensions. If they continue to serve in Hong Kong after 1997, they should be entitled to all the rights that they would have enjoyed had Hong Kong remained a British dependent territory.

I make that point because morale in the service in Hong Kong will suffer gradually as we reach 1997 unless my right hon. and learned Friend makes it clear that those terms will be available soon. If they are not given, there will be a wastage of the service in Hong Kong which will be in no one's interest.

8.50 pm

Mr. James Couchman (Gillingham): I am pleased to catch your eye this evening, Mr. Deputy Speaker, because I am convinced that the brief Bill before us will turn out to be one of the most historic actions that this Government have taken.

Those hon. Members who were here during the 1950s, 1960s and even the 1970s will have taken part on a number of occasions in the process of decolonisation. For the class of 1983, that process will be severely curtailed because we have so few dependent territories left. It is that sense of history that prompts me to offer a few brief comments. I am persuaded, as is my hon. Friend the Member for Newport, West (Mr. Robinson), that this is indeed a most important debate.

I shall not go over the ground of nationality. My hon. Friends the Members for Orpington (Mr. Stanbrook) and for Wiltshire, North (Mr. Needham), together with other hon. Members, discussed the fine print of the nationality aspect of the Bill. I am especially interested in clause 1, which gives currency to the termination of our sovereignty over Hong Kong and the resumption of sovereignty by China.

Unlike many right hon. and hon. Members who have been able to visit Hong Kong during recent months, I have not had the pleasure of seeing the position on the ground. My interest in Hong Kong has been stimulated since I entered the House by the generous quantity of reading material that has been sent to hon. Members, and also by family associations that go back 90 years. Without being too anecdotal, my great grandfather helped to build and then became the manager of Tai Koo docks, which position he held until he died of typhoid and meningitis in 1909. Like so many itinerant Scots engineers, he helped to create the facilities that have made Hong Kong into the considerable trading post it is today. It is extraordinary how Scotland has provided so many doctors and engineers around the world, and also a fair number of trade union activists.

Conditions in Hong Kong have not always been as healthy as they are today. I am glad to say that my grandfather, who was employed on the same project as my great grandfather, survived the outbreak of typhoid. Hong Kong was not always as prosperous as it is today. It is well to remember that the Japanese occupation from 1941 to 1945 reduced Hong Kong to ruins. In 1945 there was no food, no shipping, no industry and no commerce. The population had fallen from 1·6 million to a little over 750,000. The natural industry and energy of the people of Hong Kong soon restored economic health and vitality, only to suffer a second hammer blow with the Korean war of 1950 to 1953. Hong Kong almost died a second time.

By the mid-1950s, the people had clawed back to prosperity for the second time in a decade. It is the precedents of the second world war and the Korean war that have led to the entirely reasonable apprehension about

[Mr. James Couchman]

1997 and the end of the lease on the new territories. The lessons of the past have spawned the fears for the future. Therefore, it is to the immense credit of all those involved in the Sino-British negotiations during the past two years that a draft agreement of such breadth and imagination, of such reassurance and pragmatic good sense, should have been constructed. I hope and pray that the faith of those involved in drawing up the agreement is rewarded by the growing confidence of the people of Hong Kong as the details of the agreement take a more concrete form and as the Joint Liaison Group goes about its task.

Of course, it is possible to be sceptical about a number of the aspects of the joint declaration and its annexes. There is the commitment that there will be a high degree of autonomy under Chinese sovereignty, the commitment that the Socialist system and policies shall not be practised in Hong Kong for 50 years, the commitment to a system of law that is quite unlike the prevailing system in China, and the commitment that the Government of the People's Republic of China will not levy taxes on the Hong Kong special administrative region—something that we should look at carefully because the PRC Government will undoubtedly be supplying services and public utilities to Hong Kong, and prices for them could be manipulated.

There is the commitment to retain all those freedoms and rights that we take for granted — freedom of association, of the press, of speech, of the person, of belief, of academic research, of choice of occupation, to marry and the right to bring up a family. All those commitments, together with many others, bear close examination because they offer a regime that is in such stark contrast to the People's Republic of China.

There are those who scoff and say that the commitments are worthless and that the moment China has resumed sovereignty it can tear up the agreements and impose a totalitarian regime in line with the remainder of the People's Republic of China. My hon. Friend the Member for Southampton, Test (Mr. Hill) spoke along those lines. Indeed, there are those, such as the chairman of the so-called British anti-Communist council, who go a good deal further in their cynicism and scepticism. Those who have left China and have escaped the regime since 1949 have every reason to have reservations.

I prefer to believe that the framework for the Hong Kong special administrative region post-1997 represents an agreement that is pragmatic to Britain, to China and to the people of Hong Kong. I accept the Government's confidence that the agreement provides the necessary assurances about Hong Kong's future that will allow the territory to continue to flourish and to maintain its unique role in the world.

Hong Kong, operating within the framework of the joint declaration and its annexes, will continue and prosper as a vital and commercial trading bridge between Western capitalism and Chinese Communism. That bridge could —and here we move into the realms of speculation— help to draw the People's Republic of China away from the stultifying economics of Communism and back towards a more mixed economy. I am wholly persuaded that Communism is alien to the essentially entrepreneurial nature of the Chinese.

The recent dipping of toes into the capitalist waters of stocks and shares shows that the Chinese leaders have recognised the benefits of incentive and investment. Who knows what developments might take place by 1997— Hong Kong could indeed be the key to a truly historic change of economic philosophy by the Chinese people. However, as I have said, we are now speculating and tonight's debate is intended to progress a Bill that will give substance to the draft agreement between Britain and China for the resumption of Chinese sovereignty over Hong Kong.

As we are well aware, the alternative to that agreement is a takeover in 1997 by the Chinese on terms determined by the Chinese alone. That alternative is most unlikely to be acceptable to the people of Hong Kong, and that was one of the most acid tests for the agreement. In those circumstances, what price the commitment that military forces sent by the People's Republic of China Government to be stationed in the Hong Kong special administrative region for the purpose of defence will not interfere in the internal affairs of the Hong Kong SAR?

That is enough from someone whose connections with Hong Kong are trapped in the past of the colony. The Bill offers the hope of a much brighter future for Hong Kong after 1997 than once seemed possible. The Bill demands confidence from us all, not cynicism.

8.58 pm

Sir John Page (Harrow, West): It is less difficult for me to compress a brilliant 20-minute speech into four minutes because everything that I intended to say has already been said at least four times, except about one aspect. I listened to the wise, dignified and clear speech by my right hon. and learned Friend the Foreign Secretary which was in striking contradistinction to the speech by the right hon. Member for Leeds, East (Mr. Healey) who rose like some political coelacanth, spewed out some sour foam and immediately disappeared to his lair beneath the troubled waves of the Labour party. I am grateful to him for his perspicacity in coming back just to listen to my speech. I appreciate it.

The Government were wise to have one Bill to include the joint agreement and the adaptation of British law— maritime law and so on. Will Hong Kong's future in EFTA after 1997 be affected by the Bill?

The creative news in the debate concerns the nomenclature British National (Overseas) for future Hong Kong passports. I was less worried by the criticisms by the right hon. Member for South Down (Mr. Powell) and by my hon. Friend the Member for Orpington (Mr. Stanbrook) than I was by the enthusiastic support from my hon. Friend the Member for Wiltshire, North (Mr. Needham) which gave some worries and doubts.

In these days of sophisticated knowledge of passports and nationality no one possessing the British National (Overseas) passport will be misled into thinking that it gives the right of abode in the United Kingdom. It is clear to the people of Hong Kong that the passport cannot be transmissible by descent.

The amazingly calm atmosphere of this evening's debate is proof of the general acceptability of the terms negotiated to the hard working, brilliant and realistic people of Hong Kong. I say that because many of us are deeply committed to the welfare of the Hong Kong people. We would have fought tooth and nail if we had believed that the agreement was not as good as possible for their protection.

It is a great compliment to the negotiators in the People's Republic of China and to our own dedicated team.

I take the view, which is shared by many well-informed people with knowledge of the far east, that the Prime Minister's forthright attitude in the early stages, in 1982, did much to prepare the ground for the final successful agreement. On the day that the agreement was signed I and other members of the British delegation to the Inter-Parliamentary Union were meeting their distinguished Chinese delegation in Geneva. I am certain that they were as genuinely excited and optimistic as we were about the future.

I believe that the agreement will stick. One of the great advantages was the early negotiation and signing of the agreement so that the people of Hong Kong and the people of China have 13 years to get used to their new relationship.

9.4 pm

Mr. Peter Bruinvels (Leicester, East): This is an historic debate and I am privileged to take part in it. The Bill reflects and summarises the termination of British sovereignty and jurisdiction over Hong Kong and I am filled with trepidation. We have had the long-term consultations in Hong Kong between the Chinese people and the British people, and tonight we are deciding on the future of 5¼ million people.

Of course I want the territory to continue to flourish. It has been successful. Its economy has been distinct and independent. I want its future to be secure and I believe that the Bill will help it to remain secure. It has a unique trading and financial status. I wish that we could produce goods here as cheaply and as well.

It is reassuring that the stock market is now recovering — slowly, but surely. All the people of Hong Kong deserve praise for that. However, like my hon. and learned Friend the Member for Burton (Mr. Lawrence), I want to see freedom for all the people of Hong Kong. This is an historic day. We must look to the future, to the risk of Communism and to how China could affect the initiative and peace which exist in Hong Kong now.

What of the future, and what of China? China appears to be growing more capitalist in spirit, which is helpful. However, I hope there will not be any bullying, rough assaults or attacks on the people of Hong Kong. Communism is a sick cancer, corrupting enterprise and crippling initiative. We must be careful how our relations stay with China.

We know that Hong Kong's future is secure for a further 50 years after 30 June 1997. I know that hon. Members will watch Hong Kong for years to come. I have yet to visit Hong Kong, but my colleagues who have done so tell me what is going on, and I read about it in the papers. We wish the people of Hong Kong success.

I am worried that many people in Hong Kong will wish to leave. As my hon. Friend the Member for Orpington (Mr. Stanbrook) said, we must watch the position carefully, because there might be a risk of a massive exodus from Hong Kong to Britain. Can we cope?

I want to see freedom of movement between the two countries, as there is now. We have policemen there who are serving in the Hong Kong police force, and civil servants serving in the Hong Kong Civil Service. I want that to continue. Obviously there will be emigration. British people will wish to work there because the terms and conditions are encouraging.

The new designation of British National (Overseas) for British dependent territories citizens is strange. I am sure that the people of Hong Kong still feel British to the core. The two countries enjoy an excellent relationship, which we must continue to establish and retain. I believe that the Bill will assist in that direction. I wish to put on record our appreciation of what my right hon. and learned Friend the Foreign Secretary has achieved in bringing about the agreement.

I am worried about paragraph 2(1)(*b*) of the schedule which defines the status of nationality. I am glad that the Foreign Secretary has been able to clear up the title of the people who will be so named. It is a new form of nationality, and I wonder whether we have all thought through the long-term consequences of it. When the passport is issued — we have not yet been informed when that will be — I should prefer to say "and a resident of Hong Kong". We may hear more about that later.

As my hon. Friend the Member for Orpington said, we need to look at the future of our nationality law. Orders in Council are the normal way to change nationality status, and the people of Hong Kong would not wish it to be treated differently from anyone else. There is to be a new status, but it does not involve massive immigration into the United Kingdom. That must be right.

In the years to come we shall need, above all, to continue to liaise closely with the people of Hong Kong. We have a far better relationship with China now, and we know that Hong Kong and China are co-operating to a large extent.

I know that we shall have regular debates on Hong Kong. I want the people of Hong Kong to know that we do not forget them, that we continue to admire them and that we want such debates and reports so that hon. Members can remember and be up-dated. I wish the people of Hong Kong every success.

9.9 pm

Mr. George Robertson (Hamilton): Today's debate, which follows only three parliamentary weeks after the previous substantial debate on Hong Kong, has covered several areas, some of which were raised previously and still remain open, and others which were related to the Bill. Next Monday we shall have the opportunity to discuss in some detail several aspects of the Bill. That is probably why, Mr. Speaker, you allowed some licence in the subjects that have been discussed today.

What underlies the sentiment of many speeches has been a growing concern about the remaining questions on Hong Kong, and the fact that trust will be a crucial factor in the development of Hong Kong's institutions and in the future of Hong Kong itself. The press coverage in Hong Kong of our previous debate suggests several misapprehensions about the way in which the House treats such affairs. I fear that the low attendance for today's debate might give rise to similar misapprehensions.

As you know, Mr. Speaker, some domestic issues of enormous moment can pack this place and bring it alive. There are also areas where the majority of hon. Members believe that a good or reasonable job has been done and that the issues can be spelt out in detail by experts. Those who consider our debates on Hong Kong will see that

[Mr. George Robertson]

Members of the British Parliament show remarkable knowledge of the detailed workings of Hong Kong and the methods by which its people have made their contributions during the years.

If we add up the number of hon. Members who contributed to this debate, to the previous one, and to our recent debates on Hong Kong, we discover that a substantial proportion of hon. Members has participated actively in them. The accusations of mutual self-congratulation that were levelled against us during the debate on 5 December are neither right nor appropriate. Where anxieties have been expressed by people in Hong Kong to hon. Members, they have been fairly and accurately represented in our debates. We have considered them in detail, and we shall continue dutifully to examine those areas where anxiety remains.

The misapprehensions have been fuelled by some offhand remarks by Conservative Members. The off-the-cuff remark a few weeks ago by the Leader of the House to the hon. Member for Windsor and Maidenhead (Dr. Glyn), suggesting that this Second Reading debate might be an appropriate time to examine the Prime Minister's world tour at the end of December, may have given rise to expectations among hon. Members which you, Mr. Speaker, would have dismissed quickly.

We must draw to the attention of Ministers the short period that is suggested between this Second Reading and the Committee stage of the Bill. Hon. Members have suggested that seven days between now and the Committee stage is not long enough for opinions to be canvassed on the wide range of views and detailed answers from Ministers that have been adduced during the debate. I strongly urge Ministers to postpone the Committee stage from next Monday and to consider, with the Leader of the House, a longer gap so that the people of Hong Kong have an opportunity to read the record of this debate, digest it and perhaps give their views on it. A week is a completely inappropriate period for such feedback to be meaningful.

Clearly, the major issue in the debate is that of nationality. The new nationality, whose name, but little else, has been unveiled today, of British National (Overseas), which sounds more like the name of a petrol company than a status for human beings, is one which obviously we shall debate in more detail later. But issues of major principle have been raised. The right hon. Member for South Down (Mr. Powell) and the hon. Member for Orpington (Mr. Stanbrook) went as far as tabling an amendment suggesting that we should not pass the Bill unless a radical change was made to it.

Concern on the same issue of principle was expressed by my right hon. Friend the Member for Leeds, East (Mr. Healey), and by the hon. Members for Stockton, South (Mr. Wrigglesworth) and for Wiltshire, North (Mr. Needham) in another context. It is whether we should designate the nationality of 3 million people who will retain that nationality for the rest of their lives and the nationality that will be transferred to those of their children who are born between now and 1997 by Order in Council, by a statutory instrument in the House, or by the traditional and time-honoured method of a parliamentary Bill.

I fear, however, that the right hon. Member for South Down, having raised this interesting constitutional issue, which is of some importance, has by raising it himself damaged the case for it. Unfortunately, the right hon. Gentleman has a reputation in immigration and nationality matters. The appearance of his name on the amendment has perhaps fatally flawed it in the eyes of the vast majority of people in Hong Kong. Therefore, the representations that we have received from people in Hong Kong are to the effect that they wish the Government's original plan to go ahead. It is clear that they believe that the motives behind the right hon. Gentleman's amendment are designed to make sure that there is no escape hatch and that it is part of a campaign against those whose skin is not white rather than an interested commentary on the mechanisms by which the House pursues its legislation. That is unfortunate. But if we changed the method by which this nationality was designated, I fear that confusion and uncertainty would more than probably be the result. That having been said, I believe that the Government should take on board some of the apprehensions that have been voiced, and there are methods by which that can be done.

My right hon. Friend the Member for Leeds, East said that we could be considering some tentative draft, a statutory instrument with green edges, or a consultative document on the nationality status and that this might be debated before the statutory instrument itself was debated and voted upon. However, there are other options. One is to remove from the schedule the paragraph on nationality and oblige the Government to legislate by means of another Bill. However, there is mention in "Erskine May" of the possibility of exceptional statutory instruments which can be amended in the House and which are flexible enough to be amended. It is clear that some research will have to be done into the possibilities.

In any event, the Government should listen carefully to the representations from both sides of the House reflecting all shades of opinion about the dangerous precedents that they may be establishing in dealing with the problem in this fashion. Certainly they should listen to the wise advice from the right hon. Member for Blackpool, South (Sir P. Blaker), who said that it would be indefensible if we considered this important issue under the normal, traditional mechanism for statutory instruments, with a debate of one and a half hours on the subject. The timing of this issue and the way that it is to be debated have been questioned quite genuinely by hon. Members. We must hope that the Government will listen and give the House an answer as soon as possible.

In the debate on 5 December the Foreign Secretary made it clear that there are genuine concerns about nationality. He said:

> "Because it is also a matter which affects people in their personal lives, it gives rise to very strong emotions. It was not easy to reconcile the conflicting interests involved".

We have yet to find out how the Government have reconciled those conflicting interests. We shall listen with interest to how they reconcile them.

Hon. Members have today raised the international acceptability of the new status. The new status will be tested by its international acceptability. At this stage the Government are in no position to give guarantees about it, yet the Government will eventually have to answer for the international acceptability of the new status. In the last debate the Minister of State said:

> "Her Majesty's Government will do all they can to secure for the holders of those passports the same access to other countries as that enjoyed at present by holders of British Dependent Territories citizens passports. There is no reason to believe that third countries will not recognise those passports."

As hon. Members have said repeatedly, the test will not be the colour or the name of the passport. The test will be the attitude of immigration officers when these passports are presented. It would perhaps assist the people of Hong Kong if we could be told whether the Government have taken any steps to pursue this matter.

The number of people in Hong Kong who are entitled to British dependent territories citizens passports is greater than the number of people who go to the bother of applying for passports. For a large number of people in Hong Kong it is a purely academic matter whether they have a passport, because they do little or no travelling. What provision is being made to assess the number of people who are entitled to passports in order to ensure that the huge administrative task of issuing the new passports, which will take a large amount of time, is carried out efficiently and expeditiously?

On the question of statelessness, an anonymous representative was quoted in the assessment office report as saying:

"We do not care what happens to Hong Kong for our own sake. However, we worry for our children."

In Hong Kong there are 6,000 parents who are non-ethnic Chinese and who will be rendered stateless after 1997. In previous debates, and again today, the Government have daid that guarantees have been given that these parents will have a form of British nationality. Yet today, although we have been told about the new status for BDTC passport holders, we have been told nothing about those parents who must be the most anxious peiple in Hong Kong. Hon. Members have received today an express letter from Mr. Harileda, the president of the Council of Hong Kong Indian Associations. His letter encloses a substantial petition which expresses precisely the worries and anxieties of those who will find themselves stateless after 1997. There is a moral obligation, if we return to that moral obligation which the Prime Minister sloughed off in Hong Kong, to end the uncertainty for these people.

A number of hon. Members have referred torefugees. They were referred to by the hon. Members for Chislehurst (Mr. Sims) and for Inverness, Nairn and Lochaber (Mr. Johnston) and in the last debate by my ho. Friend the Member for Monklands, West(Mr. Carke), whom I accompanied last year to one of the closed Vietnamese camps. A searing personal experience it was, tool They referred to both the Vietnamese and the other refugees who are in effect stateless in Hong Kong and whose children, who have been born in Hong Kong since the arrived, are in fact stateless. Although this is a genuine dilemma for this and every other Government, there is again an obligation to give some sign of whether they will be looked after in the years after 1997.

Drafting the basic law for the special administrative region of Hong Kong is central to the future of Hong Kong. The Government have turned their mind to this matter, but they have properly said that this is a matter for the Government of the People's Republic of China. It is not sufficient for the House or the Government to continue to say that it is solely a matter for the People's Republic of China. On 5 December the Foreign Secretary said:

"I am confident, too, that they"—

that is, the Government of the People's Republic of China—

"will have noted the hope, which has been widely expressed in recent weeks, that the people of Hong Kong will be fully consulted about the drafting of the law."

When the Minister wound up the debate he was even more straightforward and specific, He said:

"The Chinese Government have made it clear that the people of Hong Kong will be consulted on its drafting, although the exact form of this consultation has not yer been specified."—[*Official Report*, 5 December 1984; Vol. 69, c. 391-470.]

My right hon. Friend the Member for Leeds, East outlined to the House the apparently contradictory statements made by the Prime Minister at her press conference. I have every sympathy for the Prime Minister, who travelled round the world, stopping off for photo calls, going through at least 15 different climates, with all the exhaustion that that involves, not to mention the jet lag. Perhaps she had not been sufficiently briefed or had not understood the briefing, or whatever. However, there is a contradiction between what the Foreign Secretary was saying at the Dispatch Box on 5 December and what the Prime Minister appeared to be saying when she got to the conference in Hong Kong. She siad:

"You would not expect representatives of Hong Kong to sit on the drafting committee."

However, as my right hon. Frind said, the *Far Eastern Economic Review* quoted the pro-Beijing Hong Kong Monthly *Wide Angle* as saying that there would be a drafting committe of 40 to 50 people formed in the People's National Congress with

"at lest 10 from Hong Kong."

It went on to say that a basic law consultative committee, consisting of local people from different classes, would be formed in Hong Kong, . Either the Prime Minister is right, or the pro-Beijing newspapers and magazines in Hong Kong are right, but on something so central to the future of the people in Hong Kong it is important that we get the authoritative version, and get it clear.

Sir Patrick Nairne and his colleague, who monitored the assessment exercise, said:

"The widespread concern to be involved, as the assessment office report has highlighted, in the drafting of the Basic law is a timely and important token of their wish to stand increasingly on their own political feet."

This is the test which the monitoring team made of the importance of the basic law issue, and therefore this is something on which we require considerable reassurance this evening.

Mr. Adley: Does the hon. Gentleman accept that the fact that the pro-Beijing magazines in Hong Kong are writing these articles, which appear to show a shift, shows the flexibility in the position at the moment and must be encouraging, because the fewer pre-conceived notions the better? Is it not unwise to try to expect too much detail too quickly on all these important detailed points?

Mr. Robertson: The hon. Gentleman knows Chinamuch better tham I do, and knows that these contradictions are difficult for people in Hong Kongto understand. Either the Prime Minister is right and there is no prospect of any local involvement in the process—after all, she was speaking in Hong Kong with the *Far Eastern Economic Review* on the news stand with that article init—or else something else is known.

It is for Ministers to tell us the correct version. After all, the right hon. and learned Gentleman the Foreigh Secretary was sitting next to the Prime Minister when she spoke in hong Kong. With great respect, the hon. Member for Christchurch (Mr. Adley) is not in a position to speak authoritatively for Her Majesty's Government or for the Government of the People's Republic of China. This is a

[Mr. Robertson]

matter of central importance, and the apparent contradictions of the members of the British Government's team should be expanded upon this evening.

Much has been said about the regular monitoring of events in hong Kong until 1997. The foreign Secretary said, to no great friendly response, that we are not to have the form of regular monitoring that we were led to expect in the previous debate. When the Minister of state replied to our previous debate in the House he said that

"some system of regular accountability to the House is of great importance to the people of Hong Kong."—[*Official Report*, 5 December 1984; Vol. 69, c. 467.]

We must set against that what the Prime Minister said, or what she was quoted in the *Financial Times* as saying, that

"there would be no need for a formal annual debate o Hong Kong at Westminster. . .Parliamentary debates would occur from time to time."

We have taken on immense obligations for the detail of the future of people in Hong Kong and we should be able to expect at least a report from the Joint Liaison Group on the work that it is doing, as well as a report from Her Majesty's Government on a wide range of other issues that will be directly within their own and unique province over the next 12 years, so that Parliament can judge and assess the necessity, perhaps, for an annual debate. Hon. Members may feel that without that regular accountability they will not be in a position to come to a proper judgment on the developments that are taking place on the other side of the world.

There is some confusion about the Joint Liaison Group and its membership. There was that astonishing gaff by the Prime Minister when she said, while in Hong Kong, that the Governor would be a member of the group, when it had never been contemplated as a practical possibility that he would be. Perhaps we shall be taken a little along the membership road by the Minister when he replies.

There is apprehension in Hong Kong that the Joint Liaison Group may be concerned with overseeing, monitoring or, at worst, analysing and interfering in the progress towards democracy within the colony. The Bill does not touch directly on progress towards democracy but the issue has been raised by my hon. Friends the Members for Wrexham (Dr. Marek), and for Warley, East (Mr. Faulds) and by the hon. Members for Stockton, South, for Chislehurst and for Christchurch.

In this Parliament we have received wise counsel from unelected channels of communication within Hong Kong. The delegations from Hong Kong and the briefings that they have sent us have been of enormous importance to our detailed consideration of these matters. I include the contribution of Sir S. Y. Chung, the senior member of UMELCO, who was appointed under the Government of the right hon. Member for Old Bexley and Sidcup (Mr. Heath). The right hon. Gentleman made some slighting references to the appointed members of UMELCO when we last debated Hong Kong. We have received wise advice from those in Hong Kong who have spoken up strongly on behalf of the people in Hong Kong.

But we should recognise that there is a generation rising in Hong Kong—it is fundamentally a young population—which will not continue to be satisfied with the type of relaxed and confortable set-up that has run Hong Kong for the past years. Whatever the reasons have been for us not interfering in that arrangement, the fact is that pressure from the young will continue and must be taken on board. Mrs. Selina Chow, who has often come over and spoken to us, could not accept the White Paper on progress towards democracy because it did not provide an end product to take us a stage beyond 1987, when the first review is to take place. We would be wise to look carefully at the future of the developments.

The debate has provided us with another valuable opportunity to clear the air on some important matters of continuing interest and concern about the future of Hong Kong. I hope that the Minister can now flesh out the framework of Hong Kong's future. Hon. Members on both sides of the House will listen with great interest. They will, of course, maintain that interest.

9.35 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Richard Luce): I am sure that hon. Members will agree that today, as on 5 December, there has been a large measure of support for the agreement and, I hope, in broad terms, for the legislation that will help to effect part of it. Several hon. Members, including my hon. Friend the Member for Chislehurst (Mr. Sims) and the hon. Members for Wrexham (Dr. Marek) and for Warley, East (Mr. Faulds), said that it was important that there should be a broad measure of bipartisan support in the House over the agreement on Hong Kong, for the sake of the people of Hong Kong. I believe, and hope that I am right in saying, that that support exists today just as it did on 5 December.

Nevertheless, there was a not uncharacteristic music hall knock-about performance from the right hon. Member for Leeds, East (Mr. Healey) who seemed to be enjoying himself for the first 10 or 15 minutes——

Mr. Healey: So did the hon. Gentleman.

Mr. Luce : —when he talked about the Prime Minister. I always enjoy myself. The right hon. Member for Leeds, East can talk about tigers and elephants to his heart's content, but the plain fact is that a very remarkable agreement has been reached over Hong Kong. My right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign Secretary played leading parts in achieving that agreement, and they deserve great credit for it.

My hon. Friends the Members for Boothferry (Sir P. Bryan), for Southampton, Test (Mr. Hill), for Gillingham (Mr. Couchman) and for Harrow, West (Sir J. Page) referred to the importance of having confidence in Hong Kong. Indeed, my hon. Friend the Member for Test talked about Hong Kong's present economic success. Its success is striking in that exports and growth have increased dramatically and Hong Kong is now displaying a fresh sense of confidence.

I am glad that many hon. Members have paid tribute to the people of Hong Kong and to the way in which they have reacted to the agreement. I join the hon. Member for Hamilton (Mr. Robertson) in paying tribute to the members of UMELCO, some of whom have been here during the past few says and during the course of this debate. There can be no doubt of the Government's strong commitment to Hong Kong or about the full responsibilities that we hold, and will continue to hold, until 1 July 1997.

Judging by the debate on 5 December, it will be remarkably difficult to answer all the points raised.

However, I shall do my best to answer as many as I can. I hope that hon. Members will bear with me, but if I feel that I have failed to answer all the points raised I shall attempt to write to those hon. Members involved. I shall start with the important point about the views of hon. Members and the Government's accountability to the House.

The right hon. Member for Leeds, East referred to an annual debate, which he and others mentioned in the previous debate. This issue goes wider than that.

Mr. Healey: With respect, I ask the Minister to look at what I said then and this time. We ask for an annual report, with the right to debate it if it seems suitable. The important thing is the annual report, which was explained in detail.

Mr. Luce: Many hon. Members have recommended not only an annual report but a definite commitment to an annual debate. If I misinterpreted what the right hon. Gentleman said, I apologise.

The issue goes wider than that. There is a desire on the part of the House to ensure that it has an adequate say with the Executive over important matters connected with Hong Kong. It features in connection with the Bill and its Committee stage. All I can say to the House is that my right hon. and learned Friend the Secretary of State and I have noted carefully the strong views that were expressed during the debate. However, I ask the House to understand that my right hon. and learned Friend and I do not underestimate the importance of the views of the House, but we both doubt the value of institutionalising debates on Hong Kong in such a way that we would literally ritualise them in the form of an annual debate.

My right hon. and learned Friend and I believe that the most effective way to deal with that is to have debates in the House as and when required. That point was made effectively by my hon. Friends the Members for Newport, West (Mr. Robinson) and for Chislehurst . My hon. Friend the Member for Leicester, East (Mr. Bruinvels) also referred to it. The ad hoc approach, when we have debates as and when required, would be a more effective way to deal with the problem. In addition, as my right hon. and learned Friend has already said, the Government will report to the House on important developments on Hong Kong at any time that we think that that is necessary.

A major part of the debate in which accountability featured related to the provisions in the Bill for nationality.

Dr. Jeremy Bray (Motherwell, South): Will the Minister undertake that as well as reporting on important events Ministers will also report annually?

Mr. Luce: I have just said that we do not wish to give that undertaking, nor do we think that it is a sensible way to treat the matter. I have tried to give the reasons for that.

I should like to refer to the important matter of nationality, on which the right hon. Member for South Down (Mr. Powell) spoke freely. My hon. Friend the Member for Orpington (Mr. Stanbrook), my right hon. Friend the Member for Blackpool, South (Sir P. Blaker), my hon. and learned Friend the Member for Burton (Mr. Lawrence), the hon. Member for Warley, East, the right hon. and learned Member for Aberavon (Mr. Morris), who has expalined that he cannot be present for the wind-up, and many others referred to that matter. As my right hon. and learned Friend the Foreign Secretary said, paragraph 2 of the schedule contains an enabling power for a subsequent Order or Orders in Council to be made to give effect to the provisions of the United Kingdom memorandum that was handed to the Chinese when the agreement was signed on 19 December. The framework for subordinate legislation is clearly stated in the schedule. It will provide that

> "British Dependent Territories citizenship cannot be retained or acquired on or after the relevant date"—

that is 1 July 1997—

> "by virtue of a connection with Hong Kong".

The schedule creates a new form of British nationality that may be acquired by

> "persons who are British Dependent Territories citizens by virtue of any such connection".

In addition, provision will be made for the avoidance of statelessness as a result of the changes and for such amendments to nationality legislation as are supplementary, transitional or consequential to those main purposes. In other words, the content of the order or orders is determined by the framework laid down in the Bill.

The right hon. Member for South Down and my hon. Friend the Member for Orpington tabled an amendment which, in effect, deplores the use of an Order in Council to amend nationality legislation on the ground that it does not permit the detailed consideration and amendment of the Government's proposals that enactment by Bill would afford.

As my right hon. and learned Friend the Foreign Secretary said, it is simply not possible in the time available for the enactment of the Bill to include full details of all the legislative amendments that will be necessary for the implementation of the commitments which, on 5 December, the House unanimously agreed that we should accept. Nevertheless, the Government consider it right that the Bill should contain a clear indication of all the legislation that will be required. As I have said, the Bill sets out clearly the parameters of the amendments that will be necessary to our nationality legislation. Those amendments will flow directly from the provisions of the United Kingdom memorandum. Orders made under this provision will be subject to the affirmative resolution procedure, which will allow full opportunity for debate in both Houses.

I understand the wish of the House to be able to debate thoroughly the Order in Council on nationality, and I can readily give an assurance that it will be introduced in draft form. That is assured by paragraph 2(4) of the schedule. I give an assurance also that a sufficient interval will be left between the publication of a draft order and its debate in the House to allow the people of Hong Kong and hon. Members to form views about it and to make those views known. If there were pressures to change the terms of the order, the Government would certainly consider withdrawing the order and changing it before asking the House to approve it. I again reassure the House that my right hon. and learned Friend and I have taken firmly on board the views expressed today about this matter.

A number of points have been made about the nationality title, including points by my right hon. Friend the Member for Blackpool, South and the hon. Member for Warley, East. As my right hon. and learned Friend the Foreign Secretary said, it is appropriate that the title of the new form of nationality should be "British National (Overseas)". Although the name does not carry any direct link with Hong Kong, I confirm that it is the Government's

[Mr. Luce]

intention that it should be held only by persons who come under the scope of the Order in Council on nationality to be made under the Bill. Careful consideration has been given to the title of the new form of nationality. The Government believe that "British National (Overseas)" best meets the needs of all parties concerned. On the one hand, the title makes it clear that that is a form of British nationality and, on the other, it does not imply a continuing constitutional link between Britain and Hong Kong after 1997.

My right hon. Friend the Member for Blackpool, South asked about debate on the title. The title of the new form of nationality was announced today for the first time. The Government consider that that it is important to allow time to explain the choice of this title to the people of Hong Kong. There will be opportunities for including the title in the Bill at a later stage if it is considered appropriate. If the new title for nationality status is introduced in another place, there will be an opportunity for the House to discuss it when the amendment is reported back.

In a number of important speeches hon. Members drew attention to continuing anxiety about the possibility of statelessness. I believe that it is important that, once again, I should set out the position. This matter was raised by the hon. Members for Hamilton, for Inverness, Nairn and Lochaber (Mr. Johnston) and for Stockton, South (Mr. Wrigglesworth), who told me that he could not be here for the conclusion of the debate, and by the right hon. Member for Leeds, East. My right hon. and learned Friend the Foreign Secretary clearly stated our intentions.

It is our intention that no British national or any child born on or after 1 July 1997 to a British national should be made stateless as a result of the nationality arrangements envisaged in the Bill. It is intended that such a person covered by the provisions should acquire British overseas citizenship. We have given strong commitments on this matter, and I assure the House that they will be carried out.

I should answer the point made by the hon. Member for Warley, East, who unfortunately is not in the Chamber, about the position of non-Chinese Hong Kong people living outside Hong Kong, because I know that this is one aspect of statelessness about which the hon. Gentleman and others have been concerned. Broadly speaking, they will be covered by the provisions. If the persons concerned would fall within the provisions of the order when resident in Hong Kong, they would also fall within them even if they are not currently resident there. It will not be residence that is the deciding factor but the fact that BDTC status is derived from Hong Kong. We have taken that important point on board.

On the question of the title that we have introduced, the right hon. Member for South Down talked of the Government deceiving the House.

Mr. Healey *rose—*

Mr. Luce: I still have a large number of questions to answer. I hope that the right hon. Gentleman will permit me to continue. If I have time later in my speech, I will try to give way.

The right hon. Member for South Down says that the Government are deceiving the House.

Mr. J. Enoch Powell: *indicated dissent.*

Mr. Luce: I thought that that was what the right hon. Gentleman implied. At any rate, he said that there was a deception.

Mr. Powell: That is correct.

Mr. Luce: I am sorry if I misinterpreted the right hon. Gentleman.

The right hon. Gentleman, who served on the Committee on the British Nationality Act 1981, knows that there are three main categories of people with the word "British" in their title. However, the title "British citizen" is the only one that confers the right of abode. BDTCs do not have the right of abode in Britain, although they have certain entitlements. Equally, the title announced today does not give a right of abode here. It preserves all but one of the entitlements possessed by those who are at present BDTCs. The one exception is right of transmissibility.

My hon. Friend the Member for Christchurch (Mr. Adley) asked about consular protection.

Mr. Healey: Will the hon. Gentleman give way?

Mr. Luce: I cannot answer the debate properly without attempting to cover all the points that have been made. I hope that the right hon. Gentleman will permit me to continue. I have yet to answer at least two points made by the right hon. Gentleman himself.

Mr. Healey: The question is——

Mr. Luce: As the right hon. Gentleman presses me, I will give way.

Mr. Healey: There is a question, to which both sides of the House attach great importance, the answer to which will influence our attitude towards the Committee. Will the Government undertake to introduce a form of Order in Council which is either in draft with green edges, or amendable?

Mr. Luce: I have already answered that question very clearly. First, it is to be a draft order. Secondly, it is our intention to introduce a draft order well in advance, to give time not only for the House but for the people of Hong Kong to assess it and to give us their views. We will take those views fully into account before introducing a draft order for debate in the House. I hope to reply to some of the other points made by the right hon. Gentleman.

First, however, I take up the concern of the hon. Member for Inverness, Nairn and Lochaber about the acceptability of new passports. I assure him that the Government will do all that they can to secure, for holders of new-style British passports, the same access to other countries as that enjoyed at present by holders of BDTC passports. The level of consular protection will also remain the same. There is every reason to be confident of international acceptance of the passports. When the time comes, we will do our utmost to ensure that that is forthcoming.

The right hon. Member for Leeds, East talked about the retention of BDTC status and asked whether people who took up the new nationality status before 1997 could keep their old status until 1997. I am happy to assure him that that is indeed the Government's intention. We do not envisage people who take up the status of British National (Overseas) losing their BDTC status until 1997, except in the unlikely event of their renouncing it.

My hon. Friend the Member for Chislehurst and the right hon. Member for Leeds, East asked about the Joint

Liaison Group. It comes into force as a result of the agreement. As my right hon. and learned Friend said, we are working on the practicalities. Its establishment is still some months off, and work remains to be done. The Government will announce the membership of the group and other details in due course. I would not wish to anticipate the discussions that we shall have with the Governor this week. The Government will approach the Joint Liaison Group in a positive spirit. Co-operation with the Chinese Government will be of the utmost importance to ensure a smooth transition.

Several right hon. and hon. Members have suggested that Hong Kong unofficials should be represented on the group. As my right hon. and learned Friend made clear in our debate on 5 December, that would not be appropriate. The Joint Liaison Group is a diplomatic body. Hong Kong Government officials will participate on the British side and there will be full consultation on the group's work with the Executive Council of Hong Kong. I note what has been said about sub-groups, especially by my hon. Friend the Member for Chislehurst. The establishment of such groups will be decided by the Joint Liaison Group, and attendance at its meetings will depend on the subjects under discussion.

The right hon. Member for Leeds, East asked whether the Joint Liaison Group would oversee constitutional development of Hong Kong before 1997. The answer is no. It is firmly agreed that the British Government will be responsible for the administration of Hong Kong until 1 July 1997. That includes responsibility for constitutional development. However, we have all recognised the need in this context to keep in mind the provisions of the agreement on the future of Hong Kong, and the plans which were published in the Hong Kong Government's White Paper were framed accordingly. Those considerations will continue to be important, but the responsibility remains ours. The Joint Liaison Group will have no overseeing role.

My hon. and learned Friend the Member for Burton referred to important freedoms in Hong Kong—a matter which was provided for in the agreement and which is of profound importance to the future of Hong Kong. The agreement provides explicitly for the maintenance of rights and freedoms which were previously in force in Hong Kong and protected by law. It also stipulates that provisions of relevant international covenants will remain in force. All of this will be enshrined in the basic law and remain unchanged for 50 years. Individuals will be able to challenge actions of the Executive in the Hong Kong courts as they do now.

Several right hon. and hon. Members have referred to constitutional developments in Hong Kong. That matter was discussed quite widely during the debate of 5 December, when my right hon. and learned Friend made it clear that the Government support a progressive strengthening of representative government in the territory during the next 10 years. There will be a prospect of further review in 1997.

I have attempted to answer as many questions as possible. We must do our utmost to maintain a climate of confidence in Hong Kong. That is in everyone's interests. There is much agreement in Hong Kong on the accord that has been reached with the Chinese concerning the future. It does not come as a surprise that there is some disagreement about the Bill, which will be the subject of much greater scrutiny in Committee.

By giving the Bill a Second Reading, I believe that we shall take Hong Kong down a further road towards a strong and confident future. That is my strong recommendation.

Question put and agreed to.

Bill accordingly read a Second time.

Bill committed to a Committee of the whole House. —*[Mr. Major.]*

Committee tomorrow.

Northern Ireland (District Electoral Areas)

10 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): I beg to move,

That the draft District Electoral Areas (Northern Ireland) Order 1985, which was laid before this House on 19th December, be approved.

The purpose of this draft order is to give effect, without modification, to the recommendations contained in the report by the district electoral areas commissioner, which my right hon. Friend the Secretary of State laid before Parliament on 5 December last year. The commissioner, Sir Frank Harrison, was appointed on 22 June 1984 under article 2(1) of the District Electoral Areas Commissioner (Northern Ireland) Order 1984 to recommend arrangements for the grouping together of local government wards in Northern Ireland into district electoral areas. As the House knows, local government elections in the Province are held with each elector casting one transferable vote in a multi-member constituency. The constituencies used for local government purposes are called district electoral areas. The draft order also gives names to the electoral areas which would come into being, on its enactment.

Before turning to a brief explanation of the draft order, I would like to take this opportunity to pay the warmest tribute to Sir Frank Harrison's thorough and expert discharge of his important task. He brought to bear an unrivalled knowledge of the subject, gained over more than 10 years of service as the local government boundaries commissioner in Northern Ireland, together with independence of mind, impartiality and sound judgment. I am sure that the House will join me in recording our gratitude for a job well done, and in extending our thanks further to the three assistant commissioners who helped Sir Frank, and to his hard-working staff.

It may assist the House if I first describe the background of this draft order. At present, the composition of district electoral areas in Northern Ireland remains as set down in 1973, originally under the provisions of the Electoral Law (Northern Ireland) Order 1972. The first stage in the process of revising the basis of electoral areas was the recent review carried out by the local government boundaries commissioner of the number, boundaries and names of local government districts in Northern Ireland and the number, boundaries and names of the wards into which each district is divided. The boundary commissioner's final recommendations were published on 18 January 1984, and given legislative effect in the Local Government (Boundaries) Order (Northern Ireland) 1984, which will be familiar to most hon. Members.

The district electoral areas commissioner was subsequently appointed to recommend the grouping of wards into electoral areas in accordance with rules determined by Parliament. These rules are to be found in schedule 3 to the District Electoral Areas Commissioner (Northern Ireland) Order 1984.

The rules are, in brief, that no ward can be included partly in one electoral area and partly in another; that each electoral area must consist of five, six or seven wards; that each ward must have at least one boundary in common with another ward in the same electoral area; and that each area is to be given a name.

Within this framework, the district electoral areas commissioner was empowered to propose such groupings of wards as he saw fit, although schedule 2 to the order prescribed a number of procedural requirements in the conduct of the review.

The most important of these was the requirement placed on the commissioner to publish provisional recommendations and to invite written representations on them within one month of publication. Thereafter, he was to hold public hearings if representations were made by district councils or by more than 100 local government electors in a district. The commissioner was also given a discretionary power to hold public hearings to consider other representations.

In the introduction to his final report, the commissioner describes how he went about his task. His provisional recommendations were published on 9 July 1984 and over the next few days were made very widely available in Northern Ireland. They appeared in 44 Belfast and local newspapers, were publicly displayed in about 100 locations throughout the Province, and were sent to all Northern Ireland Members of Parliament, Assembly Members, councillors and political parties, as well as to other interested bodies. Representations in writing were invited by 24 August, and some 70 submissions were received. Between 3 September and 15 October, the commissioner and the three assistant commissioners held public inquiries in 17 of Northern Ireland's 26 local government districts, at which oral submissions were made by 71 interested bodies and individuals. In the light of those representations, the commissioner modified the provisional recommendations for 15 of the districts.

Although under no obligation to do so, the commissioner also disclosed the general considerations that weighed with him in producing the final pattern of electoral areas within the statutory rules. These were principally recognition of existing community identities, a desire to form local government constituencies in which the differing sections of each community could secure representation and a conscious effort, where possible, to avoid groupings that would create electoral areas split by natural geographical barriers. The commissioner also makes plain in his report, as he did at the public hearings, that he regarded political arguments about the composition of electoral areas as

"speculative, and of much less value that the identification of social and community links which were there to be seen".

The Government wholly endorse the recommendations that have resulted from this exercise and that are given legislative form in the draft order before the House tonight. I shall now deal briefly with its main provisions.

Article 2 of the draft order provides that it will come into operation on 15 May 1985, which is, of course, polling day for this year's local government elections in Northern Ireland. However, for the purposes of all proceedings—preliminary or relating to an election to be held on or after that date—the order shall come into operation forthwith. That provision is to ensure that everyone involved in preparing for the local elections—the election staff, the district councils and the political parties—can do so immediately on the basis of the new electoral areas.

Article 3, in conjunction with the schedule to the order, is the core of the legislation. It provides that each local government district shall be divided into district electoral areas comprising specified wards and returning a specified

number of councillors. The details appear in the schedule, which is organised alphabetically throughout by district, by named electoral area within districts and by constituent wards within electoral areas. Column 1 of the schedule lists the electoral areas and, reading across the page, the constituent wards and number of councillors for each electoral area appear in columns 2 and 3 respectively. The number of councillors in any given electoral area is 5, 6 or 7, following the rules under which the commissioner was required to make his recommendations.

Article 4 provides that article 3 of and Schedule 1 to the Northern Ireland (Local Elections) Order 1977, which are the provisions containing the present list of electoral areas, shall cease to have effect.

I do not have to persuade this House of the importance to Northern Ireland of fair elections producing elected local institutions that are truly representative of the communities they administer. The Government are sure that the electoral framework of district electoral areas that the commissioner has devised provides the best possible basis for such fair elections to take place. I have no doubt that these arrangements will stand the test of time as evidence of their author's integrity, expertise and willingness to listen carefully to all points of view from the communities affected.

It is essential that this draft order should come into force at the earliest opportunity so that all those engaged in the forthcoming district council elections in Northern Ireland have sufficient time to make their necessary preparations. I commend it to the House.

10.9 pm

Mr. Stuart Bell (Middlesbrough): I thank the Minister for taking us through the report and the recommendations of Sir Frank Harrison and then through the order itself. I sympathise with those right hon. and hon. Members from Northern Ireland constituencies who are anxious to speak and to make what are no doubt pertinent points about the order before us.

Those who are elected to the Chamber understand that their political lives depend upon the ballot box, but many, including myself, are bemused by the additional hazard caused by the Boundary Commission. It is not surprising that, depending upon how the new district electoral areas affect the political complexion of the district elections to be held in Northern Ireland on 15 May, a variety of points are likely to be made this evening.

Notwithstanding my trepidation about the work of boundary commissioners in general, I make no criticism of Sir Frank Harrison, QC. The Minister paid him a warm tribute with which I associate myself.

An article published in the *Belfast Telegraph* on Tuesday, 13 March 1984 reported that Sir Frank recognised the delicacy of his task and that every change in the boundaries must have some political consequences, however trivial. He also said that some changes might have large political consequences.

When the first set of provisional changes in the boundaries were published, Sir Frank said:

> "The purpose of the boundary revision is to reflect the massive shifts of population which have taken place since 1972 and to group electors into districts and wards which will lay the basis for better representation of people now linked by the particular and differing geographical, social and economic circumstances which will give them group identities."

Sir Frank wished to create wards which people might recognise as being "coherent units, deserving of separate and distinct representation and reflecting differences in interest."

The right hon. Member for South Down (Mr. Powell) has reminded the House in the past that local government in Northern Ireland is different from that in the rest of the United Kingdom. The major pre-occupation of Her Majesty's Opposition in the past was to urge local authorities to seek to create employment. Most local authorities have set up their own development organisations which generally do a useful job. However, even when debating an order which groups the wards for the purpose of proportional representation it is as well to set down what we hope of those elected to local government districts.

The result of Sir Frank Harrison's deliberations are before us tonight. I am not aware of any boundary changes that meet with universal acclaim. That is not the fault of boundary commissioners. For the elections to be fought in Cleveland at the same time in May the boundary commissioners have reduced the number of seats by 12. I mention that in passing, but it is easy to imagine that such a dwindling in the number of elected representatives will not meet with the approval of the major political party in Cleveland, since that party will lose representation.

I have no doubt that the same argument will be used tonight, but the changes will have a less draconian consequence for the people of Northern Ireland, for representatives who face an election or those who aspire to be candidates.

A review of local government in Northern Ireland will reveal why the changes are necessary. As the House knows, the local government system was reorganised in 1973. Indeed, the order derives from section 38(1)*(a)* of the Northern Ireland Constitution Act 1973, which had its origins in a similar Act passed in 1972. However, it is fair to add that the proposals for rationalisation had been under consideration for some years by the Stormont Government. In 1967, the Northern Ireland White Paper acknowledged that the system stemmed from the nineteenth century and required an in-depth reappraisal and overhaul.

The Cameron report of 1969, which dealt with the civil disturbances in Northern Ireland, found a widespread sense of injustice among Catholics about housing allocation, local government appointments and the manipulation of local government boundaries. The consequence of the report was that some administrative reforms were made, including the setting up of a central housing authority and the establishment of a review body to undertake a complete reappraisal of existing proposals for the reshaping of local government.

In passing, we hope and trust that there will be no unforeseen consequence of the present boundary arrangements in the order. We hope and pray that the divisions that existed in 1969 will not be brought about a second time by the new boundaries.

I have seen articles in some parts of the Northern Irish press putting forward the view that the new electoral districts in Belfast are set to cement sectarian divisions. Phrases such as "electoral apartheid" have been used. Life is full of unforeseen consequences. I am sure that the Government are as mindful of that as I am. The principles on which the Boundary Commission operate are laid down by statute and are devoid of political intent. The Minister

[Mr. Stuart Bell]

took us through the statutory requirements that were binding on Sir Frank Harrison, when the Minister metioned the recommendations of the report.

The present review, which culminates in this order, began in November 1982 and has had to take into account the inevitable large movement in population that occurred in Northern Ireland during the past 10 years. During that period there was an overall rise of 20,000 in the population, yet there was a corresponding fall of 65,000 in the number of Belfast voters, with corresponding increases in North Down, Newtownabbey, Ards, Lisburn, Antrim and Londonderry.

In the end, the people of Northern Ireland will vote for the type of local government that they want, and, having voted for it, they will make it work. Local government functions are divided into two broad categories: regional or area functions, and district and local services. The regional or area functions originally dealt with such matters as education, health, personal social services and the like, and under a subsequent report, known as the Macrory report, were to be transferred from local authorities to Stormont departments or area boards. The district and local services were to be given to 26 district councils, which would also have responsibility for nominating people for the area boards and which would have a consultative role.

The Macrory report noted the unique circumstances of Northern Ireland, that is, its geographical size and the high proportion of central Government expenditure on local services. The existence of the Stormont tier of government was cited to answer those critics who believed that the people of Northern Ireland were being defranchised.

As the House knows, during the process of reorganisation, Westminster imposed direct rule and introduced proportional representation in the hope that this system would ensure adequate representaton for minorities, eliminate disputes about council boundaries and facilitate cross voting between the different parties. The most noticeable consequence of that was the increase in party representation. In the pre-1973 local government system, only 65 per cent. of councillors were party representatives in the county councils, and only 39 per cent. were party representatives in the urban district councils. By 1979, however, 91 per cent. of councillors were party representatives, reflecting the fact that local government was the only opportunity for electoral activity outside Westminster. The consequence — perhaps foreseen, perhaps unforeseen—was that local elections began to be fought on issues that had little to do with local services.

However, proportional representation encouraged more candidates to stand. As a result, in 1979, almost all councillors had to submit themselves to the electoral process and there were many fewer uncontested elections. The tradition of lengthy service has been eroded with the influx of new, young councillors. Those young councillors tend to come from a fairly restricted socio-economic background, but councillors tend to spend more time on council business and the public continue to regard councillors as public representatives to be contacted about public matters. I am sure that that will continue to be the case after the May elections.

At least one hon. Member is anxious lest parties do not have enough time to prepare for the May elections. There is never enough time for preparation for or to fight local elections, but, in the words of the music hall song, it all comes right on the night, except of course if one happens to lose the election. In such circumstances, victory has a thousand fathers, but defeat is an orphan. I do not know whether the order will produce fathers or whether it will be an orphan, but I doubt whether any boundary commission could have done as well. Although I shall listen with care to the representations that will be made tonight, I believe that Sir Frank Harrison has done a commendable job, with his vast experience, and that his recommendations cannot be bettered.

10.21 pm

Mr. William Ross (Londonderry, East): The House listened with great interest to the hon. Member for Middlesbrough (Mr. Bell). I listened with some sadness, because it became apparent during his speech that his education in Northern Ireland is far from complete. Indeed, I would say that it has scarcely begun. The hon. Gentleman said that he hoped that there would be no unforeseen results from the order. I hope that not only will he read the debate on 6 February 1984 but that when I have finished he will be wiser about the results of this election. I do not believe that the result will be unforeseen by the Government. When the election is over, the Government will pretend that they are shocked and surprised, but the attitude will be difficult to accept.

The order is the final legislative step in bringing the new local government district electoral areas into operation. The debate follows the debate on 6 February 1984, when we discussed the local government boundaries order, which followed approaches made by my right hon. Friend the Member for Lagan Valley (Mr. Molyneaux), who asked that there should be not more than six wards in a group. We asked for between four and six wards. In his letter of 26 January 1984 to the Secretary of State, my right hon. Friend said.

> "We are sure you will take into consideration our view that the number of wards grouped in one electoral area should be between four and six, and only in very exceptional circumstances should the number be as high as seven."

My right hon. Friend also said:

> "It would be a pity if new electoral areas were to span Parliamentary Constituency Boundaries in view of the Parliamentary Boundary Commission's recent efforts to avoid splitting local authority boundaries."

Anyone who reads the debate on 6 February will discover that the Minister gave his reasons for ignoring that request. At the end of this debate, we shall see that the Government had reasons for ignoring the first request, that the figure should not, except in exceptional circumstances, be as high as seven. Wherever possible, they have accepted a recommendation for seven wards, which means that an individual can now be elected with only 12·5 per cent. of the first preference vote. But 12·5 per cent. of the final vote means that anyone with 10 per cent. of the vote in such a grouping is almost certain of election without a quota, of course. I add "without a quota" because I fear that right hon. and hon. Members of this House do not fully understand the workings of proportional representation, which is the main reason why Northern Ireland is saddled with it.

On 6 December 1983 my right hon. Friend had a reply from the former Secretary of State for Northern Ireland in which the right hon. Gentleman said:

" Having looked into this, it seems that our thinking is very much along the same lines. You hoped that in general not more than 5 or 6 wards should be grouped together. This seems sensible to the Government"—

it is a pity that they changed their mind—

"although for flexibility I expect that the draft order, which will shortly be laid before Parliament, will provide for up to 7 wards to be grouped. However, it seems likely that in practice most groupings will consist of 5 or 6 wards."

In the light of what has happened, I find that an astonishing statement by the Secretary of State.

In the debate on 6 February 1984, I said that the commissioner was being put into a straitjacket with a five, six, seven, rule. I said:

"By accepting the view that is set out in the order, we are putting the commissioner in a straitjacket. He will be left without the room he needs to manoeuvre in drawing his boundaries around the most reasonable areas in each council district. The Minister will know that circumstances and conditions differ widely from ward to ward and county to county in Ulster. The commissioner should be allowed the maximum amount of room for manoeuvre."—[*Official Report*, 6 February 1984; Vol. 53, c. 704.]

The plain truth is that that sound advice was not followed, and the results of not following it are already foreseen.

On page eight of his report, the district electoral commissioner, Sir Frank Harrison, sets out:

"To construct an electoral area which can also have a discernible community identity required, not only the grouping of the right number of wards, but also the best possible selection to create electoral areas readily identifiable by the electors within their bounds, and which would form local government constituencies in which the differing sections of each community could secure representation."

It is that last phrase that really matters.

Sir Frank, in his report, goes on:

"I also sought to create constituencies of manageable size and which could be efficiently served by the elected representatives."

I have with me a copy of the map which the commissioner kindly produced when the report was coming out. Hon. Members who are interested will find a copy in the Library. I want to refer to one or two of these manageable areas which he sought to create—the areas with which the electors readily identify themselves.

I start with my own immediate council area, Limavady, and the Benbradagh area, in which I live. It stretches from Feeny to Limavady, a distance of 15 miles, spanning part of what is now the urban area of Limavady and a very large rural hinterland.

It is a matter of regret that the commissioner apparently was not allowed to use the evidence of his own eyes when he was constructing these wards. I recall clearly having taken part in the arguments and debates with the commissioner in the first instance when the existing local government wards were drawn up. We were told then that he would keep before him the evidence of his eyes. He said that he would look at the houses under construction and so forth. He said that he might therefore be drawing the occasional small ward. On this occasion we were told that that was not possible and that he had to go strictly by the number of people we were on the register at the relevant date, which was November 1982. It means that that council area is already one seat short.

I represent also the Coleraine district. That contains a district electoral area known as Bann. It stretches south from Castlerock to Kilrea. It is only 20 miles long, but again it spans a large rural area containing many differing interests. There is very little communication between the people living at each end of the area, yet they are supposed to identity closely with each other.

In the Omagh district area, there are two areas, Mid-Tyrone and West Tyrone, which geographically are larger in area than some council areas, yet those who live in those large, sparsely populated areas are supposed to meet the criteria that the commissioner laid down on page 8 of his report.

The daftest one of all is in Fermanagh—the area known as Erne West. It stretches the full length of south Fermanagh. I do not know how long Fermanagh is, but, judging by the map, I think it must be 35 or 40 miles long. The hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) is nodding his head, confirming what I have said. The Minister ought to drive down Erne West on a Sunday afternoon—he would need a Sunday afternoon to drive down it. How he expects councillors living in Belleek to represent those at the other end of the area is beyond the comprehension of anybody who knows that county.

On 6 February I said that I thought the commissioner was being placed in a straitjacket. I made it my business to attend one or two of the inquiries that he held into his provisional recommendations. One of the inquiries which I attended was in my own constituency, Magherafelt, where the hon. Member for Mid-Ulster (Rev. William McCrea) lives. He was present at that inquiry and made the case from his point of view. He was a year late with it, because he talked about ward boundaries rather than district electoral areas.

I made it my business to ask the commissioner whether the five, six, seven rule caused him any problems or difficulties. He gave a very clear and wordy reply. He said that it had not so much caused him problems and difficulties as placed him in a straitjacket—the very words that I had used a few months earlier in the House. I was not only astonished but delighted that I had been proved to be an accurate prophet on that occasion at least.

The commissioner also hinted that if he had known that not only would he be landed with the job of drawing up the district electoral areas but that he would also be constricted to five, six or seven wards, the conclusions he reached relating to ward boundaries and even to council and constituency boundaries might have been very different.

It was a most interesting day. I am sorry that the Minister missed it. He should have been there. Indeed, perhaps the Minister ought to have taken more interest in the matter than he has until now. By that I mean that, apart from listening to the advice of his officials, he should have gone down to the area and looked at what is happening there, because this is not the best way to deal with the matter. Quite honestly, it is a bit of a mess, and some district electoral areas in Northern Ireland are daft.

The Minister has to accept the order. He told us on 6 February 1984 that he liked proportional representation. He said:

"I know that some right hon. and hon. Members do not like proportional representation, but I happen to do so. However, my speech tonight has nothing to do with that matter."

Has his liking for proportional representation allowed a little beam to creep into his eyes, so that he is not able to see all that is going on?

Reading the debate on 6 February was a most interesting and illuminating process. I would recommend it to every hon. Member who is here tonight, because I think that they will enjoy it, especially in relation to what will happen after 15 May. For example, the Minister said:

[Mr. William Ross]

"We considered the range of the number of wards to be grouped very carefully in preparing the draft order, and in the light of the representation received"—

I assume that that refers to the correspondence between the leader of the Unionist party and himself—

"the debate on this draft order was deferred to allow time for further consideration.

Despite the fact that I gave careful thought to the representations made to me, that consideration has confirmed our original view that for the purpose of holding local elections proportional representation, using the single transferable vote system, the rules set out in schedule 3"—

applying to district electoral areas with five, six and seven seats—

"are most likely to optimise the effects of that system . . . PR should be the electoral system for local and Assembly elections in Northern Ireland because use of the simple majority system in local elections gave inadequate representation to substantial minorities in the institutions of provincial and local government."

I would be greatly obliged if the Minister could tell us what percentage he considers to be a "substantial" minority. Is it 5, 10, 20 or 50 per cent.? That was something on which he based his policy and his figures, and he should tell us his reasoning. A far better way than proportional representation to achieve representation of minorities of any size is to increase the number of councillors and have smaller electorates. If that is done, even relatively small groups of electors can find a party to represent them.

In that debate, the Minister, partly in answer to my right hon. Friend the Member for Strangford (Mr. Taylor), went on to say about the principle being confirmed in Northern Ireland:

"The hope was the PR-STV would increase the chances that representatives of both sides of the community would have to co-operate for local government to operate effectively. We remain of the view that the method is right for these elections, given Northern Ireland's circumstances."

I cannot understand how a system that is clearly designed to bring about a position where no single party is in the majority makes local government or any sort of government operate more effectively. The converse is bound to be true, and the old saying, "Too many cooks spoil the broth", would fit well in this instance, as every party is in business to achieve maximum power, and that power can be achieved only when that party has a majority in the council or whatever. Therefore, each party uses the members that it has to the best effect to achieve that result. The parties are bound to fight among each other, and keep the whole place in disorder, to do better next time. That is not the way to get an effective organisation.

In that debate, the Minister went on to say:

"The Government continue to attach a high priority to the principle of proportionality in Northern Ireland, as it provides the best mechanism for involving all major strands of constitutional political opinion in local government institutions."

What does the Minister mean by a "major strand"? What percentage of the electorate is a "major strand"? How does he propose to ensure that only constitutional political opinion succeeds in these circumstances? That is the problem that is exercising the minds of most right hon. and hon. Members, and not least those in the Northern Ireland Office.

The Minister said:

"it is a question of implementing a system which maximises the effects of giving equitable representation to candidates supported by a substantial minority of the electorate."

The Minister is using the terms "major strand" and "substantial minority", and we must know what sort of figure he has in mind. I am sure that it is not a figment of his imagination. There must be some figure or percentage on which he bases his argument.

The Minister argued that it was

"widely recognised in the theory of the STV system that that is best achieved in constituencies of five to seven seats. Restricting the grouping of wards also affords greater certainty about the size of electorates and about the degree of proportionality across the Province. The latitude in the 1972 legislation, which allowed for groups of four to eight wards, resulted in electoral areas comprising four wards being far from exceptional—as had been envisaged in the 1972 legislation"—

the Government always wanted five, six or seven-ward constituencies—

"and accordingly the overall results of past local elections have not been as proportional as the system should have provided. That is why the terms of this order are different from those of 1972."

If that is translated into modern terms, it means that there have not been enough Republican or Alliance members elected in the past.

The plain truth is that the Government have set out, as the hon. Member for Mid-Worcestershire (Mr. Forth) put it, to achieve certain results.

The hon. Gentleman said:

"An inescapable inference to be drawn from what my hon. Friend is saying is that the Government have in mind something which they consider desirable and that the number of wards has been chosen with that in view."

The Minister replied:

"That is right. Proportional representation is designed to give the highest possible percentage of voters the election of a candidate of their choice."

The Government have set out to try to get a certain predetermined result. I did not think that that was what elections in the United Kingdom were about. I thought elections in the United Kingdom were to ensure that the majority will would prevail. However, the Minister, in reply to the debate, said:

"Secondly, this Government are totally and absolutely opposed to everything that Sinn Fein stands for and we shall do our best to ensure that the aims that it seeks are not brought about. We absolutely detest the advocacy and means of violence."—[*Official Report*, 6 February 1984; Vol. 53, c. 694-714.]

If my understanding of the Minister's words is correct, I am delighted that the Government are opposed to a United Ireland. If that is not what he meant on that occasion, perhaps he will be kind enough to tell us what he did mean. Perhaps the Government are merely opposed to the Sinn Fein-type Ireland that the IRA and its fellow travellers wish to create. I want to hear what the Minister has to tell us about the Government's view on that score.

If the Government are sincere and we are to take the Minister's words at face value, we can infer from that that the Government intend to ensure that Sinn Fein does not do all that well in the elections. Against that background, why have they taken the opposite approach? I assume that someone in the Northern Ireland Office has done his sums on ward groupings. I also assume that one of the items taken into account was the outcome of those elections. Although Sinn Fein has not always been all that prominent, people and parties that have the same attitude of mind have taken part in most of the elections, and have had people elected who are, in all but name, Sinn Fein and extreme Republican representatives.

I hope that the Minister will give us an undertaking to publish the headcount carried out when the sums were gone through. Was the headcount done only by the

Registrar of Births, Deaths and Marriages — which I very much doubt—or how much was done by the Chief Electoral Officer? We need to know the answer. How much of the headcount on an orange/green or Protestant/Roman Catholic basis was carried out at the behest of the Northern Ireland Office before arriving at the ward groupings? The Minister may not as yet have seen the calculations, but perhaps he will find out exactly what happened in his Department, because he may be surprised.

The order will be passed tonight because the Government have a majority, and so they may be assured —as far as anyone can be—that the commissioner and his staff have ensured the maximum Sinn Fein representation. After all, the work has been done most admirably to produce exactly that result. Few hon. Members understand proportional representation, and that puts the Minister at a great disadvantage. He is dependent on the advice that he receives. Indeed, if he took ours, he might not make so many mistakes.

On page 23 of the report there is a most interesting table that sets out the various options in each local government area. First, there are seven local government districts with 15 seats: Limavady, Moyle, Larne, Magherafelt, Strabane, Banbridge and Carrickfergus. Therefore, one can only have groups of five. That is straightforward. Then Ballymoney and Cookstown have 16 seats, so it is five and five and six. Anything else is impossible. Antrim has 19 seats, so there are two possibilities there. Belfast has many possible options, ranging from 10 electoral areas to eight.

With the exception of Belfast and Newtownabbey, the option that has the maximum number of seven seats has been chosen. There is, indeed, one other exception, and that is Londonderry. It originally had two sevens, being the same size as Newry and Mourne with 30 seats. We could have had six fives there. In the Londonderry council area there were severe objections, and as a result one of the groupings was cut to make it six. Newry and Mourne have two sevens and Londonderry has one seven and three sixes. Lisburn has four sevens, Craigavon has three sevens, and so on.

That means that in each of those ward groupings a maximum of only 12·5 per cent. of votes cast is needed for someone to be elected. In practice, it means that if someone gains 10 per cent. of the votes cast, he is almost certain to be elected.

The measure was designed to help minorities. The Government do not appear to have tumbled to the fact, but perhaps they have, that the minorities are not necessarily moderate, reasonable, useless minorities such as the alliance party. Some are violent and evil, such as Sinn Fein. The Government, the commissioner, the staff and all concerned with this miserable episode have done their best to ensure that Sinn Fein will do very well.

That is why, in referring to the speech by the hon. Member for Middlesbrough, I said that the results are foreseen. Any fool in Northern Ireland can foresee the results. I do not think that the Government, Ministers or their civil servants are fools. I think that they know exactly what they are doing. Actions speak louder than words, and we have had a lot of words.

I should like to ask the Minister once more a question that I asked in February last. Why do the Government want Sinn Fein to do well? What is the reason for that? That is the only conclusion to which any reasonable man who understands the facts on the ground can come, having looked at what has been done.

If the Government really want to defeat Sinn Fein, we would not have PR at all. Every Northern Ireland Member knows that. Those who like PR are not here to speak for it. We who oppose PR in this or any other form of proportional representation are here to speak against it. Our job is to defeat Sinn Fein in the coming election. We intend to do it. We intend to defeat the purposes of Sinn Fein. We intend to defeat what is to me and to every sensible, reasonable man in Northern Ireland the purpose of the Northern Ireland Office and of the Government.

We shall be. Sinn Fein. The electoral system and local government have been changed in Northern Ireland, but at the end of the day, the Unionist people still win elections. This party will be there to defend the Unionist position. We say, "We have beaten you before, and we will beat you again."

Northern Ireland (District Electoral Areas)

10.51 pm

Mr. J. Enoch Powell (South Down): The House is much indebted to you, Mr. Deputy Speaker, for the indulgence on your part which enables us in debates upon orders to hear the succession of charming essays from the hon. Member for Middlesbrough (Mr. Bell) by which we are able to measure his progress in acquainting himself with some of the basic facts and some of the recent history of the Province of Northern Ireland.

The essay is one of the recognised methods of learning, and it is natural that the hon. Gentleman's contributions should take that form. I am sorry, however, that tonight, on a quick count among my hon. Friends, we were unable to allocate to him a mark higher than Beta minus. But we hope that he will do better on future occasions, and, as is said in other circumstances, we look forward to his future contributions.

The reason why my right hon. and hon. Friends and I shall vote against the order is not that we are critical of Sir Frank Harrison, the commissioner. Indeed, he showed considerable openness of mind, given the limitations within which he was obliged to act, in the number of changes which he introduced after hearing objections to his original proposals. I am all the more ready to depose that evidence, because one of them brought about a distinct improvement in the district electoral areas in one of the districts in my constituency.

The Minister may recall not merely the representations which were made to the Government in debate in February, when the guidelines were laid down, but that my hon. Friend the Member for Londonderry, East (Mr. Ross) and I waited upon him to point out to him at some length the importance of allowing the commissioner freedom to recommend district electoral areas with as few as four wards. Many of the objections to which my hon. Friend drew attention and many of the objections which will have a serious impact upon political organisation and the conduct of elections in Northern Ireland go back to that mistake. Four, five or six wards per area, as hon. Members on this bench recommended, has turned out in practice to have been the correct prescription for the formation of district electoral areas from wards.

I should like, before the debate ends, to convey to the Under-Secretary of State the reason why he and the Northern Ireland Office should learn by this experience and alter the guidelines on a future occasion.

I believe it is common ground that all of us, in all parts of the United Kingdom, wish to see a lively political life. Most of us indeed who are elected to the House depend upon the vitality of the organisations which serve the political point of view that we represent. Now, political organisation, which is at the heart of political action, is inevitably based upon electoral areas; for, after all, the first object of all political association is to win elections. Political association and activity will, therefore, base themselves upon the areas in which elections are to be held.

The constituency is the obvious major unit of political organisation, not only in Northern Ireland, but in the rest of the United Kingdom. In Northern Ireland, however, because we are blessed with the curse of proportional representation, there is a further unit of great importance: for the sake of the operation of proportional representation, it is necessary that the wards should be grouped in certain numbers into district electoral areas. The real election takes place in the district electoral area: in fact, the district electoral area corresponds to what the constituency is for elections to this House. Consequently, the district electoral area is the vital unit of political organisation.

Unfortunately, the ward, because of proportional representation, has practically no meaning. It is little more than a convenient subdivision of the register of electors. It would be different if there were not merely one councillor per ward but one councillor for a ward, so that each community would be able readily to identify the person whom it elected, and elected councillors would have a manageable area comprising those to whom they were responsible and answerable. Because of proportional representation, alas, the ward does not exist for political purposes.

I now put forward the following proposition as self-evident: if possible, district electoral areas should be contained within the boundaries of constituencies; for it is clearly destructive of intelligent political organisation and action that there should be constant overlap between the organisations that band together to win and hold parliamentary seats and those that are concerned to constitute councils by winning district electoral areas. Unfortunately, the effect of the guidelines within which the commissioner was obliged to operate has been to force him — in many cases disastrously — to override constituency boundaries, so that overlap is more the rule than the exception.

I can speak with some personal knowledge and bitterness on this score. I have three district councils wholly or partly within my constituency. One of them is wholly within my constituency, providentially, and the commissioner was able to organise that district council so that no district electoral area strayed over the constituency boundary.

However, in the case of the other two councils, there are district electoral areas where political organisation for the electoral contest will have to be based upon two distinct parliamentary constituencies and two distinct political organisations. Surely that must be contrary to what the Government and all of us want to do — to stimulate active and intelligent political participation and organisation in Northern Ireland.

What is more, the overlaps have been destructive of the very terms of reference given to the commissioner. He was exhorted to pay account to the natural divisions of the country. Few natural divisions in Northern Ireland are more marked, or more historic, than that between the county of Down and the county of Armagh. The rift through which the Newry canal was constructed is visibly, as one approaches it, a division. The people are in fact different—I will not say which side I prefer—on either side of the boundary. As one crosses it, one is conscious of having moved into a different countryside and a different community. The people of Armagh are different and the people of County Down are different—and none the worse for that, in either case.

In one place, the commissioner was obliged to take one ward in my constituency, which is on the County Down side of the geographical divide, and combine it with six

other wards in the constituency of my hon. Friend the Member for Newry and Armagh (Mr. Nicholson), to create a district electoral area called the Fews—actually it should be called the Many—extending from Newtown Hamilton on one side to the extremity of Donaghmore in County Down on the other. I know that the commissioner was obliged to do it, because I have tried every other possible numerical permutation to avoid it and found that it could not satisfactorily be done. Now that district electoral area is not merely unmanageable in the sense so graphically explained by my hon. Friend the Member for Londonderry, East (Mr. Ross); it is an absurdity, for Donaghmore, in every possible respect, belongs to County Down and to groupings that would be wholly within the constituency of South Down.

There is another factor that I must not refrain from mentioning. There is a Unionist majority in the ward of Donaghmore. If the commissioner were not above all suspicion, those who argued that the district electoral area of the Fews is a manifest piece of skulduggery would have some grounds for their suspicion. Nothing could be more satisfactory to my hon. Friend than the transfer of one of the jewels of my crown into a district electoral area in another part of the district of Newry and Mourne.

I have endeavoured to treat the matter with some lightness of touch, as the details of it might be disagreeable and tedious to those who have taken the trouble to attend the debate. However, in reality, something very serious lies behind all this. The drawing of constituency and electoral area boundaries is a serious matter. It is a serious matter—as I have endeavoured to prove to the Minister — for political life and for the vitality of political organisations. It can help it, it can make it, it can destroy it, it can take it to pieces. Those who contemplate many of the boundary changes brought about in the Province in the earlier part of the 1970s found it difficult to escape the notion that it was the deliberate intention to make a certain form of political life and organisation as far as possible impracticable.

That is one consideration that gives the drawing of boundaries its importance and solemnity. Boundaries are the basis of political association and therefore of the vitality of political life.

Secondly, under proportional representation, the drawing of boundaries and even more the grouping of wards in district electoral areas go far to predetermine the outcome of an election.

This is the point that the Minister made when my hon. Friend the Member for Londonderry East and I waited on him—the contention that in a district electoral area of only four wards some minority party—or splinter party rather—might fail to be represented. That is the one argument which was urged against what now proves to have been the correct prescription for the work of the commissioner.

Despite the fact that there will be a Division, I fear that, for this time round, we have had it. The importance of this debate is rather to bring home to the Minister and his advisers that the advice tendered to him by this party has been proved in practice to have been the right advice and that the advice to which he reverted—of a five to seven ward formula — was the wrong advice and will be harmful to politics in Northern Ireland and even harmful to the political cause which, not having quite suspicious a mind as my hon. Friend the Member for Londonderry, East, I believe that neither the Minister nor probably any other hon. Member wishes to flourish. So please, do not let it happen again.

11.5 pm

Mr. A. Cecil Walker (Belfast, North): I support my right hon. Friend the Member for South Down (Mr. Powell) in his approach to the order, especially in regard to the parliamentary boundaries.

I had thought that in this review an opportunity would be taken to rationalise the boundaries anomaly and bring the position into line with what is generally accepted and expected in any other part of the United Kingdom. It is stated that parliamentary boundaries and their electoral lists are based on the local government boundaries that were established in 1972, but it is clear that parliamentary boundaries have been drawn contrary to existing local government boundaries. This has resulted in great confusion on the part of the electorate, and is admitted in the foreword to the provisional recommendations, where it is said that electors are now obliged to go to different polling stations for different elections. More important is the fact that neighbours with common social problems in the same local government area will have to resort to different Members of Parliament, because local government boundaries do not coincide with parliamentary constituencies.

It must be remembered that many of the electorate are elderly. Some are also confused. The illogicality of the boundaries can cause all sorts of problems and result in votes not being cast. It has been said that demographic movements have resulted in changes which, in some cases, now require district or ward boundary changes. The resulting boundaries will breach parliamentary boundaries. That result is guaranteed because of the time lag between the recommendations of different boundary commissioners. Such changes should not affect parliamentary boundaries.

The 1983 parliamentary election was based on a review of boundaries which were different in the preceding election. The commissoner should have been briefed to group wards into electoral areas which coincide with existing parliamentary boundaries. I see no significant difference between that direction and the one which the commissioner was given. He was brief to create

"wards which people can recognise as being coherent units deserving separate and distinct representation reflecting differences in interest which are grouped together with other wards into a district which will provide them with services and facilities of Local Government".

I sometimes feel that Northern Ireland is treated differently, or even as a guinea pig.

The present systems, which have been foisted upon us, are anathema to the long-suffering electorate in Northern Ireland. Local councillors and other interested parties made representations to the commissioner during the public inquiry, and some of these representations are relevant to the situation in these areas. For example, reference was made to the grouping of wards and their corelation to each other in the context of the number of representatives. Concern was expressed that such groupings would not necessarily produce acceptable representations in the final analysis and that, in consequence, the electorate could suffer from the laziness or ineptitude of representatives who, by their inaction, would load their colleagues with the day-to-day problems connected with local government.

[Mr. A. Cecil Walker]

Concern was also expressed that the commissioner's proposed groupings were not in accordance with the general geographical boundaries. That gave rise to the suspicion that these boundaries had been gerrymandered in favour of minority populations, which under the iniquitous proportional representation system applicable to Northern Ireland would provide extra seats in excess of their percentage of the total population. Unfortunately, the commissioner, possibly because of the need for urgency in finalising his proposals, did not appear to be particularly keen to be drawn into an appeal on what were thought to be legitimate or pertinent grounds. Under such circumstances, I regret that I have no option but to oppose the order.

11.11 pm

Mr. Clifford Forsythe (Antrim, South): Like my colleagues, I am totally against proportional representation, on several grounds. We in Northern Ireland are not treated in the same manner as the rest of the United Kingdom. In Great Britain there is first-past-the-post, whereas in Northern Ireland there is PR. It is a case of "Don't do as I do, but do as I say". No parent would set such an example.

The ratepayer cannot identify his representative. There are several representatives in a DEA, and it is possible for a person to be elected, to do nothing, to keep his head down and to be re-elected. He can tell all and sundry that he did this, that or the other, whereas he probably did nothing.

It would be more reasonable if the STV system operated on a ward basis, so that after an election we could say, "That representative represents this ward." That would be the best of both worlds.

I agree with my hon. Friends who have spoken about DEAs crossing constituency boundaries. My hon. Friend the Member for Antrim, East (Mr. Beggs) and I have a DEA which crosses our boundaries and causes quite a problem for party organisation. Had a DEA consisted of four, five or six wards instead of five, six or seven, that problem would not have arisen. However, it was not the commissioner's fault that he was working within a straitjacket.

DEAs now have names, whereas previously they were numbered one, two,, three and so on. This can be misleading. For example, in the borough of Newtownabbey there is a DEA called Antrim Line.

The Antrim Line is a road that runs out of Glengormley. Inside the district electoral area there is Collinbridge, which is in Whitewell; Glebe, which is more or less at Carnmoney hill; and High Town, which is the High Town road that runs over Cavehill into Belfast. That is known as the Antrim Line.

There is a problem in Newtownabbey where the town of Ballyclare, which formerly had its own council, always regards itself as different from the remainder of Newtownabbey. It is known as the capital of Newtownabbey. Now there is a DEA called Ballyclare, which also includes Ballynure, which is in the direction of Larne, Doagh, which is towards Antrim and Mallusk, which is almost in Glengormley. How can we expect ratepayers to associate with those DEAs?

Time is running out and I do not wish to prolong the debate. I wish to give the Minister time to reply to some of the questions raised. Needless to say, I am opposed to the order and will vote against it with my right hon. and hon. Friends.

11.16 pm

Mr. Scott: With the leave of the House, I shall reply briefly to some of the points that have been raised, without going too far down the road that has been pursued by many hon. Members of, in effect, re-running our debate of February, which set out the constraints and parameters within which Sir Frank had to conduct his work. It has been widely recognised throughout the House that he conducted his work with skill, judgment and commitment. Indeed, the hon. Member for Middlesbrough (Mr. Bell) and other hon. Members paid tribute to him.

Anyone who sets his hand to drawing new electoral boundaries is unlikely to achieve universal acclaim. That has become clear in what has been said in the debate. It is my belief that Sir Frank, his assistants and his staff did an excellent job in coming up with the proposals.

The hon. Member for Londonderry, East (Mr. Ross) returned to the question of the number of wards in an electoral area. It is one example—and there will be others during my remarks—of when one has to recall how exhaustively this question was pursued, both on the Floor of the House and elsewhere, during the passage of the order in February last year.

Schedule 3 to the 1984 order required the commissioner to recommend electoral areas consisting of between five and seven wards, and I made it clear last February—and I make no apology for reiterating my belief—that the purpose of that provision was to ensure that the system of proportional representation operates as effectively as possible within electoral areas of manageable size.

I fully understand that the hon. Member for Londonderry, East and his colleagues are opposed to proportional representation root and branch. I believe that much of the hon. Gentleman's criticism flows from the fundamental belief that proportional representation is wrong in principle and wrong for Northern Ireland, and he developed his argument on that basis. I do not object to his doing that, but we should be clear that many of his detailed criticisms flow from that difference in principle between the Government and those on the Ulster Unionist Benches.

Mr. Roy Beggs (Antrim, East): Does the Minister accept that we have had to live through and practise our responsibilities under a system of proportional representation? We have carried out our duties to the electorate and have the experience to advise the Government. There is no such experience on the mainland.

Mr. Scott: Those who have been responsible for administration in Northern Ireland since it became necessary to introduce direct rule also have experience of the proportional system. It remains our convinced belief that a system of proportionality in Northern Ireland local government is essential if there is to be proper representation of differing opinions in the Province. That is the Government's considered judgment. We differ on the matter—it is as simple as that.

The hon. Member for Londonderry, East, the right hon. Member for South Down (Mr. Powell) and others set out, not surprisingly, to second-guess Sir Frank's judgment about the size and nature of some of the groupings that he

has made. All these matters need fine judgment. In the way that he conducted the process, Sir Frank showed that he was open to argument, but at the end of the day his judgment has to hold sway. I hope that hon. Members who have argued against that will forgive me if I prefer to accept Sir Frank's judgment to theirs on these matters.

It would be intolerable if, having had such a process, Ministers attempted to second-guess Sir Frank and to impose other proposals upon the people of Northern Ireland. With his unrivalled experience of local government in the Province over 10 years, he is uniquely qualified to carry out the task. It would be wrong for Ministers to attempt to alter his judgment.

In setting out the framework in which Sir Frank has to operate the Government are not trying to come up with some pre-ordained result for this election, or any other. We are not trying to secure representation for any particular group or to produce any predetermined result.

I repeat that we reject everything that Sinn Fein stands for and its methods of operation, but we have a system of proportional representation in Northern Ireland because we believe that if we deprived substantial sections of the community in Northern Ireland of proper representation within the local government system we should be acting against the interests of democratic local government.

Mr. William Ross: The Minister has given a substantial description again. Will he please qualify it?

Mr. Scott: I shall not go down that road again. That is not a matter for Ministers to decide. Were we to deprive one-third of the people of Northern Ireland of representation we would be criticised, but I shall not discuss where that point becomes a matter of substance. We decided on the size of the groupings of the wards on the basis that it would provide proper representation for the constitutional minorities in Northern Ireland. I believe that what we propose will have that effect and I stand by it.

The right hon. Member for South Down returned to a point that he raised in February about the unfortunate fact that some boundaries cross constituency boundaries. I can do no more than repeat what I said on that occasion. Because of the sequence in which boundary reviews have been carried out we have encountered anomalies, but I hope that in future it will be possible, as we re-order the sequence of the boundary reviews for local and parliamentary constituencies, to obviate that problem. I gave that assurance of our intention to the right hon. Gentleman on 6 February.

I must tell the hon. Member for Belfast, North (Mr. Walker) that I cannot comment on why the Commissioner did or did not feel able to accept particular arguments. It was clearly right that where conflicting arguments were put to him he had to exercise his own judgment. Not everyone's suggestion can be the preferred solution. I certainly think that in accepting, as he did, that in no fewer than 15 of the 26 districts, the provisional recommendations should be amended in the light of recommendations made to him, he approached his task with an open mind and was anxious to respond, where possible, to those local representations. I am satisfied that the exercise was carried out in a way that offered the maximum opportunity for informed public debate. Many bodies, individuals and representatives of political parties took advantage of it.

The hon. Member for Antrim, South (Mr. Forsythe) criticised particular representations that affected the part of Northern Ireland that he represents. Obviously, I am not as familiar as he is with the details of the points he raised, although I am tolerably familiar with his constituency and especially with Ballyclare.

It is self evident that any proposed pattern of electoral boundaries leaves scope for endless argument about alternative schemes that might have been proposed. That is why the way in which this was carried out is a powerful argument for us to accept the judgment of Sir Frank Harrison. That is what we are debating tonight, not the constraints or parameters within which he had to operate. The House decided on those in February 1984. Today we are debating his judgments. We wish to see that they are put into operation as soon as possible so that all those engaged in elections in May will know where they are and can begin to make preparations on the basis of the order, which I commend to the House.

Question put:—

The House divided: Ayes 121, Noes 6.

Division No. 73] **[11.26 pm**

AYES

Alexander, Richard
Amess, David
Arnold, Tom
Ashby, David
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beith, A. J.
Bellingham, Henry
Benyon, William
Biffen, Rt Hon John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brooke, Hon Peter
Bruinvels, Peter
Burt, Alistair
Butcher, John
Butterfill, John
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Simon
Cope, John
Couchman, James
Currie, Mrs Edwina
Dorrell, Stephen
Dover, Den
Dunn, Robert
Durant, Tony
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Forth, Eric
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hind, Kenneth
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Jessel, Toby
Johnston, Russell
Jones, Robert *(W Herts)*
Key, Robert
King, Roger *(B'ham N'field)*
Knight, Gregory *(Derby N)*
Knowles, Michael
Knox, David
Lang, Ian
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Macfarlane, Neil
Maclean, David John
Major, John
Mather, Carol
Moynihan, Hon C.
Newton, Tony
Ottaway, Richard
Pawsey, James
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rowe, Andrew
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shepherd, Colin *(Hereford)*
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Taylor, John *(Solihull)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Tracey, Richard
Twinn, Dr Ian
Waddington, David

Walden, George
Wallace, James
Waller, Gary
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wilkinson, John
Wood, Timothy
Yeo, Tim

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Peter Lloyd.

NOES

Beggs, Roy
Maginnis, Ken
Molyneaux, Rt Hon James
Nicholson, J.
Powell, Rt Hon J. E. *(S Down)*
Walker, Cecil *(Belfast N)*

Tellers for the Noes:
Mr. William Ross and
Mr. Clifford Forsythe.

Question put and agreed to.

Resolved,

That the draft District Electoral Areas (Northern Ireland) Order 1985, which was laid before this House on 19th December, be approved.

BUSINESS OF THE HOUSE

Motion made,

That, at Tomorrow's sitting, the Motion relating to Supplementary Estimates 1984-85 may be proceeded with, though opposed, for three hours after it has been entered upon and Mr. Speaker shall then put any questions necessary to dispose of proceedings thereon, if not previously concluded.—*[Mr. Lennox-Boyd.]*

Hon. Members: Object.

Thorney Farm, Iver

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

11.37 pm

Mr. Tim Smith (Beaconsfield): I am glad to have the opportunity to raise in the House the matter of the infilling of land at Thorney farm, Iver.

Iver is under attack from every quarter. A pretty Buckinghamshire village is being turned into an extension of London suburbia. Iver village is a conservation area. The whole parish supposedly enjoys the protection of the green belt, and part of it lies within the Colne valley regional park. But that has not impeded the planners. The development of Iver has been a classic example of Hutber's law — "progress means deterioration." The object of this Adjournment debate is to sound a warning to the Buckinghamshire county council and to the Government. The people of Iver have had enough.

Through the parish run both the M4 and the M25. Within two miles of Iver church there are 14 sites at which either gravel and clay are currently being extracted or rubbish is being dumped. Not surprisingly, parts of Iver's landscape bear more resemblance to the moon's surface than to this planet's.

Now we are told there is to be a motorway service area at Iver and a British Rail park-and-ride, and the London underground may be extended to Iver if the decision is taken to build a fifth terminal at Heathrow, in which case it may also be necessary to move the Perry Oaks sewage works to south Iver.

It is all a vicious downward spiral in the quality of the local environment. The starting point is a genuinely rural environment. There are a number of viable farms. Then along comes a motorway. That has two effects. First, farms are sliced into two and land is lost. They become either less viable or totally unviable. Secondly, gravel is extracted from adjoining farm land and the land deteriorates. Although it remains green belt, it is soon being described as derelict. At this point, the logic follows through and the planners say, "Oh well, if it is derelict land, we might as well build a motorway service area or a sewage works on it."

Thorney farm is a classic example. Its history reflects the history of the area. Originally it was good quality farmland. The site was worked for sand and gravel for the construction of the M4, nearly 25 years ago. It was restored at low level. The land was used for cattle grazing, but most recently for horse grazing.

On 28 March 1983 the planning sub-committee of the Buckinghamshire county council considered an application by Cementation Construction to excavate clay from the site for use in the M25 contracts. Consent was refused on grounds which included the following:

"The working of this site would further extend the area of disturbed land in this area which is now successfully recovering from a prolonged history of mineral working."

The site is in the Colne valley regional park. It is the policy of the local authorities that waste disposal operations should be brought to a halt in the park as soon as possible so that a park environment can be established quickly.

On 28 March 1984—precisely one year later—S. Grundon (Ewelme) Ltd. submitted an application to fill the site with approximately 400,000 cubic metres of

industrial, commercial, domestic and civic amenity waste and inert material and to restore the land to agricultural use. This was considered by the planning sub-committee at its meeting on 4 June 1984. South Bucks district council objected. It gave the following reasons:

"(1) The site was partially restored with inert material; the free drainage of the site should have been an integral part of that restoration programme.

(2) The site will be used for wholly imported waste and will not serve any local need.

(3) This district"—

the South Bucks council district—

"taking into account Hyde Farm, has already met its obligation in respect of the provisions of the waste disposal plan.

(4) The effect of the additional traffic generation not only on the direct neighbourhood but also on the dwellings in Ritchings Way, will be detrimental to the amenities of the occupiers thereof by reason of increased noise and dust.

(5) The tipping on this site could be prejudicial to the completion of work on other sites in this district, for example, Colnbrook bypass and, indeed, elsewhere."

Therefore, the South Bucks district council objected, and so did the Iver parish council, which said:

"In the past this site had a reputation as an example of the worst kind of restoration at the time of working and should never have been allowed to be restored to its present condition. However, over the years it has developed into a natural part of the landscape, accepted by the local people and has become a habitat for various flora, birds and insects, etc.

This area is under great pressure from the M25 workings and the introduction of the volume of traffic anticipated in the application would be intolerable, especially during the M25 construction period.

The Parish Council would object strongly to the application and would prefer to see the site allowed to continue in its present state."

The county engineer confirmed that there would be no domestic waste from Buckinghamshire and very little, if any, civic amenity waste. The planning officer said that he was not convinced that the proposals would offer a better guarantee of improved cultivation and crop yields than agricultural improvement of the existing restored land. His recommendation to the sub-committee was that they should refuse consent because

"it has not been shown that the proposals are necessary or desirable to bring about an improvement of the agricultural land."

He also said that the proposal would prejudice the early implementation of restoration proposals for the Colne valley regional park and perpetuate intrusive tipping operations in one of the most sensitive and damaged parts of the park.

At the request of the applicant it was agreed to defer a decision, and it was next considered on 24 September. This time the planning officer found the arguments for and against the proposal finely balanced, but, on balance, he favoured the restoration scheme. Planning permission was accordingly granted. That I consider to have been a very remarkable volte face on the part of the planning sub-committee of the county council.

As a result of that decision on 27 September, Mr. Brian Learmount, the chairman of the Iver parish council, wrote to my right hon. Friend the Secretary of State for the Environment. He pointed out that the county council had failed to buy the land at auction and it had gone instead to a waste disposal company. He said:

"This last factor raises the inevitable question in the minds of local residents. What is wrong with local planning when a major waste disposal company can confidently afford to pay well above current prices at an auction of agricultural land in obvious anticipation of an approval to fill the land? An approval which it should not get — but has achieved easily in spite of concerted local objection."

My hon. Friend wrote to me on 1 November to say that his Department did not consider that this matter raised issues of wider than local concern such as would justify intervention by the Secretary of State, and I understand that decision.

That, as far as this planning application is concerned, is that. The infilling of the land will go ahead. For more than two years, there will be more than 78 vehicle movements a day, five and a half days a week. When one remembers that there are 14 other sites in Iver, imagines the total number of daily lorry movements and then recalls that on top of that the M25 is still under construction, one will begin to understand why the residents of Iver are at the end of their tether. They have been stoutly defended by their parish and district councillors and by their county councillor, Mrs. Ros Wingrove, but they have encountered a brick wall at County hall. That is why I now add my voice to theirs and say that enough is enough.

11.47 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Neil Macfarlane): The constituents of my hon. Friend the Member for Beaconsfield (Mr. Smith) who live in the Ritchings park and Iver area will be grateful to him for raising an important local matter this evening. As he said, this matter was originally brought to the attention of my Department by the Iver parish council, which wrote asking that my right hon. Friend the Secretary of State intervene on behalf of Iver residents and call in the planning application for investigation. Ritchings Park Residents Association has also expressed concern about the application in a letter about several planning matters in the area. The House has heard from my hon. Friend about the intrusion and the possible impact of some of these activities, which include the impact of the M25, the possibility of having a motorway service area sited near Iver station, and the green belt in general. All these factors were brought to the attention of my right hon. Friend and myself.

The application sought planning permission to fill slightly less than 13 hectares of land at Thorney farm, Iver with industrial, commercial, domestic and civic amenity wastes and inert material and restore the land to an agricultural use. My hon. Friend has acknowledged that Parliament has entrusted to local planning authorities the responsibility for the day-to-day administration of development control within their areas. The legislation governing the allocation of development control functions in England and Wales outside Greater London is contained in schedule 16 to the Local Government Act 1972, as amended by section 86 of the Local Government, Planning and Land Act 1980, and in the Town and Country Planning General Development Order 1977, as amended by the Town and Country Planning General Development (Amendment) Order 1980. Schedule 16 to the 1972 Act identifies two seperate groups of local planning authorities whose duty it is to determine planning applications.

I make no apology for going into this matter in some detail, because it may help my hon. Friend and some of his constituents to understand some of the background to the way in which the constitutional arrangements have been devised by the House. These are, first, district

[The Parliamentary Under-Secretary of State for the Environm

planning authorities, which are responsible for determining the majority of planning applications, and secondly county planning authorities, which retain that responsibility in respect of certain specified matters, such as development relating to minerals and development which is partly within a national park. My right hon. Friend has the power, under section 35 of the Town and Country Planning Act 1971, to call in any planning application for his own determination.

We are, and I suspect that I take my hon. Friend with me, anxious not to weaken overly the independence of local authorities by intervening in the exercise of their responsibilities. The power of call in is therefore used only in special circumstances where wider issues of national or regional importance are involved. The Town and Country Planning (Prescription of County Matters) Regulations 1980 prescribed the use of land or the carrying out of operations in or on land for the deposit of refuse or waste materials to be a county matter for the purposes of paragraph 32 of schedule 16 to the 1972 Act.

The effect of these regulations is to transfer to county planning authorities in England the functions of determining certain applications made under the Town and Country Planning Act 1971 and to give county planning authorities power to make certain orders and serve certain notices under that Act where the application, order or notice relates to waste disposal. It is, thus, for the county planning authority to decide in the first instance whether any particular development of the kind referred to by my hon. Friend may be permitted or not, having regard to the provisions of the approved development plan, together with any other material considerations.

The particular application with which we are concerned was submitted to the district planning authority — the South Bucks district council — but, in accordance with the regulations, was transferred to the county planning authority, Buckinghamshire county council, for determination.

My hon. Friend has given the House a graphic description of the surrounding countryside at Iver, its conservation status and the general level of activities which have gone on in the area, which I suspect have gone on in many home counties not many miles from here. The whole area is in the metropolitan green belt as defined in the approved Buckinghamshire county structure plan, and it will be evident that the area is very sensitive in planning terms. Nevertheless, the principles that I have outlined still apply, and where planning applications are made they are for the appropriate local planning authority to consider and determine. We would not wish to intervene unless it could be shown that the matter was of more than local importance.

The Thorney farm site itself has been within an area designated as green belt for many years and the draft local plan for the district proposes to continue this designation. Government policy on green belts is set out in my Department's circulars 42/55, 50/57 and as recently as 14/84, and is aimed at checking the unrestricted sprawl of built-up areas, safeguarding the surrounding countryside from further encroachment, and assisting in urban regeneration. The latest of these circulars points out that local authorities can help to ensure the future agricultural, recreational and amenity value of green belt land by working with landowners to enhance those areas of land lying within the green belt which are suffering from disuse or neglect.

The approved structure plan for Buckinghamshire includes green belt policies which are compatible with the general aims of the green belt, but which allow some exceptions to the general presumption against development. These exceptions include development essential to the use of land for agriculture, and the proposed development at Thorney farm—which does not involve the erection of buildings — is not incompatible with green belt policy. One could not therefore justify calling in the application on green belt grounds.

Although the decision whether to permit the infilling of the site with waste is clearly one of importance and raises many questions, such as its effect on people living in nearby housing, the possibility of affecting water courses and the consequences of generating extra traffic, these are all of local significance. I understand, from the information provided by the correspondents I have mentioned, that Buckinghamshire county council found the issues for and against the proposal, as my hon. Friend said, to be finely balanced. Apart from the applicant's case, it had before it five letters of objection to the proposal. I am told that the council consulted widely, and I am informed that comments were received from the county engineer, the Thames water authority, Rickmansworth water company, the Colne Valley park standing conference, the Ministry of Agriculture, Fisheries and Food, the Council for the Protection of Rural England, Hillingdon borough council, the Health and Safety Executive, the Civil Aviation Authority, the British Airports Authority, the Central Electricity Generating Board and South Bucks district council. As my hon. Friend said, the last named objected to the proposal.

Some of the other consultees suggested the imposition of conditions on any planning permission granted. The council, having considered these views, resolved to grant planning permission. There was and is nothing to indicate that matters of more than local importance are involved, and accordingly my Department decided not to intervene. This decision was conveyed to Iver parish council, which had asked for our intervention, in my Department's letter of 25 October 1984. I understand that Buckinghamshire county council granted planning permission for the proposed development on 2 November 1984.

There is no right of appeal for third parties once a planning application has been decided. The effect of the planning legislation is to take away from individuals the right to develop land as they wish. Parliament therefore considered it necessary to give an applicant a right of appeal if his application for permission to develop was rejected. The current provision is section 36 of the Town and Country Planning Act 1971. Successive Governments have taken the view, however, that it would be quite wrong, and unfair to the applicant, to afford to third parties a right of appeal, and thus put the development, once permitted, in jeopardy, perhaps for quite a long time, while the objections of third parties were considered afresh. However, should any person affected by the council's decision feel that he has suffered as the result of maladministration by the council, he has the right to refer the matter to the Local Government Ombudsman.

Under section 276 of the 1971 Act, my right hon. Friend the Secretary of State has the power to revoke a planning permission by the making of a revocation order.

The power is rarely used, however, and would be justified only in the most exceptional circumstances, since it would render the local planning authority liable to the payment of compensation or possibly result in its being required to purchase the land, perhaps to the detriment of local ratepayers. While my hon. Friend may consider the circumstances of this case to be wholly exceptional, I regret that I could not recommend revocation in this case on the information currently available. I must stand by my view that this matter is purely of local significance and that the local planning authority has exercised its statutory powers in deciding the matter as it thinks fit.

I hope my hon. Friend will feel that I have outlined the constitutional arrangements that the House has seen fit to pass so that those in south Buckinghamshire, Iver and Ritchings understand some of the background that makes this very much a local issue.

Question put and agreed to.

Adjourned accordingly at five minutes to Twelve o'clock.

House of Commons

Tuesday 22 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SCIENCE

Teachers (Pay and Conditions)

1. **Mr. Haselhurst** asked the Secretary of State for Education and Science what progress has been made in the discussions about linking pay and conditions of service of the teaching profession.

The Secretary of State for Education and Science (Sir Keith Joseph): At the last meeting of the Burnham salary structure working party on 5 December the teachers' panel rejected the employers' proposals and withdrew from further discussion.

Mr. Haselhurst: Has there been any change in that rather depressing picture since my right hon. Friend's meeting with the NUT, and can he hold out any prospects for progress in this important sphere?

Sir Keith Joseph: There was a meeting with the NUT yesterday, which turned out to be encouragingly constructive on the issue of teacher assessment. It appeared from yesterday's meeting that there was a great deal of common ground. It was common ground that assessment goes on in an informal manner at present in connection, for instance, with promotion; it was common ground that some aspects of assessment have implications for pay; and it was common ground, cordially agreed on my side, that a system of assessment could be useful in enhancing the career development of teachers, for instance, with in-service training, and could help the employers to deploy their forces effectively. There was a great deal of common ground. I still have the thought, particularly when promotion prospects have been reduced by falling rolls, that a system of merit-effectiveness-related pay, or even, if it comes to it, of regulations, may have a place. Yesterday there was a constructive outcome.

Mr. Flannery: Is the right hon. Gentleman aware that, like most people, teachers are always willing to discuss their profession and the way in which outstanding problems can be solved? Is it not a fact, however, that the nature of the restructuring is causing the teachers to be even more determined to struggle against what is being proposed? Is the right hon. Gentleman aware that teachers should be given an honourable payment, instead of having their wages tied to the question of restructuring, so that, following an honourable payment being given, any educational problems still outstanding can be discussed? Is the Secretary of State further aware that the present situation is bound to cause a prolonged struggle on the part of the teachers — *[Interruption.]* — Have Conservative Members forgotten the meaning of the word "negotiations"?

Sir Keith Joseph: The hon. Gentleman has not taken into account what happened yesterday. As a result of yesterday's meeting, the Department, on my instruction, and with the agreement of the NUT, is embarking on talks with the education employers and the other teacher unions. I hope that the negotiations that still lie ahead on Burnham go well.

Mr. Greenway: Does my right hon. Friend accept that any assessment of teachers should be undertaken by Her Majesty's inspectors, but should include an element of assessment by teachers of equal status or of slightly above or slightly below such status?

Sir Keith Joseph: I am sure that that would be part of one of the options. We are only too anxious to embark on the evaluation of options, which we intended to do through education support grants. I hope that the teachers' associations will in due course make that possible.

Mr. Radice: Does the right hon. Gentleman agree that yesterday's constructive talks with the NUT show that teachers are prepared to respond positively, provided that, for his part, he is prepared to listen and to discuss such issues with an open mind?

Sir Keith Joseph: There is every indication that I am willing to listen. I suspect that it is common ground, though the teachers' unions might not be willing to agree openly, that the very small minority of really bad teachers, after every effort has been made by in-service training to make them effective, should be eased out.

School Governing Bodies

2. **Mr. Madden** asked the Secretary of State for Education and Science what plans he has to change the composition of school governing bodies.

Sir Keith Joseph: Proposals for a new framework for school government in England and Wales were published last year in the Green Paper "Parental Influence at School". The Government are now carefully considering the way ahead in the light of the responses that were received, and will make an announcement in due course.

Mr. Madden: Does the Secretary of State agree that any changes in the composition of governing bodies are rendered largely ineffective unless there is a proper relationship between head teachers and governing bodies, and unless head teachers command the overwhelming confidence of the majority of parents? What help does the right hon. Gentleman plan for governing bodies in cases where head teachers patently do not command the overwhelming confidence of the majority of parents?

Sir Keith Joseph: I think that the hon. Gentleman and I are largely in agreement on that proposition. The Government in their consultation paper proposed some alteration in the powers to clarify the relationship between head teachers, governing bodies and local education authorities. Those proposals received general — though not entire — approbation. Perhaps the hon. Gentleman will take into account what the Government proposed in that publication.

Mr. Stern: In considering responses to the Green Paper on governing bodies, published last year, will my right hon. Friend take into account the fact that the overwhelming majority of parents with children at school are not represented among any of the corporate bodies that responded to the Green Paper? Many of us feel that the proposals in the Green Paper reflected parents' views more adequately than the responses that were received. Will my right hon. Friend take that into account in considering policy resulting from the Green Paper?

Sir Keith Joseph: I am encouraged by what my hon. Friend says. I had formed the impression that the reaction to the proposals to give parents a majority on governing bodies had been almost universally hostile. We are considering all the responses, and I shall take into account what my hon. Friend says.

Mr. Andrew F. Bennett: Will the Secretary of State confirm that in the consultation document he talked a great deal about giving governors a much greater say in discussions about discipline in schools? Therefore, is it not unfortunate that the Education (Corporal Punishment) Bill says nothing about the role of governors or the whole question of discipline in schools?

Sir Keith Joseph: Corporal punishment is not the only form of discipline in schools, as the hon. Gentleman would soon tell me if I said otherwise. That whole issue is to be discussed later today.

Mathematics

3. **Mr. Alan Howarth** asked the Secretary of State for Education and Science what recent representations he has received concerning methods of teaching mathematics; and if he will make a statement.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): It is now exactly three years since the publication of the Cockcroft report on the teaching of mathematics. We have received many expressions of support for the recommendations of that report, and are continuing to encourage improvements in mathematics education in line with them.

Mr. Howarth: Will my hon. Friend take steps to ensure that, as a result of the proposals by the Inner London education authority to introduce into schools from next September the teaching of what it calls anti-racist mathematics, pupils are not diverted from the proper study of mathematical concepts to the study of tendentious political concepts?

Mr. Dunn: The job of any mathematics teacher anywhere is to teach mathematics as effectively as possible to all his pupils, taking account of their background and experience. It is for individual schools and teachers to decide how best to teach, but their work should never be impeded by the intrusion of a political viewpoint. Mathematics is mathematics whatever the ethnic origin of the child to whom it is taught, and it should be the same for all.

Dr. M. S. Miller: Are not mathematics teachers still among the scarcest commodities in education?

Mr. Dunn: The shortage of qualified mathematics teachers is a long-standing problem, but the position has improved. In recent years the supply of new teachers has been healthier, and there are now many fewer unfilled vacancies.

Mr. Patrick Thompson: Does my hon. Friend agree that the need for improved standards in mathematics teaching, and the need for improved recruitment of mathematics and physics teachers, makes it all the more urgent that the talks on the restructuring of teachers' pay should be successful? Does he further agree that we must be flexible and imaginative in our pursuit of this worthwhile aim?

Mr. Dunn: I am sure that my right hon. Friend has heard what my hon. Friend said. All children need to learn the basic number facts, as the Cockcroft report says. I condemn political interference. It must be condemned, as it cannot in any way be helpful to the children whom it is supposed to serve.

Special Education

4. **Mr. Dormand** asked the Secretary of State for Education and Science if he will make a statement on the progress made in special education following the issue of the Warnock report and the subsequent Education Act.

Mr. Dunn: Local education authorities have established new procedures for assessing children with special educational needs, and most authorities are reviewing the provision made for them. There have been a number of initiatives in teacher training, both by my right hon. Friend and by local authorities. My right hon. Friend has approved 85 independent schools for the purpose of the 1981 Act, and a number of others are under consideration. He has commissioned four new research projects, and has included the provision of microelectronic aids for handicapped children in the educational support grant programme for 1985-86.

Mr. Dormand: In spite of what the Minister has said, is he aware that there is considerable anxiety among educationists about the slow progress being made in implementing the Act? Does he realise that a massive injection of resources is necessary if the objectives of the report and the Act are to be met? Is he further aware that perhaps even more important is the need for a genuine desire on the part of the Government to do something about this important development in special education, but that there is very little sign of it so far?

Mr. Dunn: We always made it clear during the passage of the Bill that integration and development would take place as resources permitted. According to returns from schools, the number of children ascertained as handicapped in ordinary schools rose from 29,976 in January 1982 to 37,970 in January 1983. There has been real progress.

Mr. Key: Will my hon. Friend examine the role of hospital special schools? Most parents and teachers seem to be unaware that there is a national network of hospital special schools which can provide vital continuity for children who are hospitalised.

Mr. Dunn: I undertake to inquire into my hon. Friend's question.

Mr. Freud: Does the Minister accept that 84 per cent. of children who are assessed as having a special

educational need are still in unintegrated schools? Will he try to do better and, above all, examine local education authorities which are out-performing others to see whether he can learn something from them?

Mr. Dunn: As the hon. Gentleman said, there is a problem in that regard, but there will always be some people in those circumstances. Under the 1981 Act, parents have a right of appeal to the Secretary of State against a decision by a local education authority not to make a statement of special educational needs. That is of real value for parents.

Mr. Hannam: Has my hon. Friend seen the Advisory Centre on Education report, which shows that 54 per cent. of local education authorities which were interviewed still, last year, had not developed any policies for the implementation of the 1981 Act? Will he consider carefully the working party's recommendation for a national advisory committee to give advice and information and to monitor local education authorities?

Mr. Dunn: I can give no such undertaking in regard to my hon. Friend's latter point. However, I undertake to inquire into the other points that he has made.

Mr. Jim Callaghan: Does the Minister agree that, to date, very few teachers have been sent on in-service training courses to implement the Warnock committee's recommendations and to meet the requirements of the Education Act 1981? What does he intend to do about that?

Mr. Dunn: I do not entirely agree with the hon. Gentleman. A wide range of in-service training is available for teachers who are responsible for the education of children with special educational needs. The arrangements are set out in circular 4/84, which allows local education authorities to claim about £2 million for that purpose in the academic year 1984-85.

Mr. Robert Atkins: In spite of the heartening trend to which my hon. Friend has referred, does he accept that in still too many schools in various parts of the country youngsters whose physical handicaps are of an almost extreme nature—particularly diabetes or arthritis—but which do not prevent their brains from working to the same standard as children in ordinary schools are being disadvantaged? Will he continue to keep up the pressure?

Mr. Dunn: I undertake to do just that. I remind the House that we have always said that full implementation of the Act will be a gradual process. The Warnock committee saw the perspective as extending to the end of this century.

Mr. Andrew F. Bennett: Will the Minister confirm that, in the White Paper, the Government envisage spending less on specialist schools, and that the whole concept of the Warnock report is being discredited because resources are not being made available in ordinary schools to cope with the increasing number of children who are being integrated?

Mr. Dunn: The hon. Gentleman is wrong. The Government's expenditure plans do not envisage reductions in expenditure on special education.

Student Unions

5. **Mr. Merchant** asked the Secretary of State for Education and Science if he will review the present arrangements for compulsory membership of student unions.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Peter Brooke): The arrangements are governed by the provisions of charters and statutes, or articles of government, under which membership of student unions is automatic. The provisions can be amended only at the initiative of the governing bodies of the institutions concerned, or by legislation. My right hon. Friend does not at present intend to introduce such legislation, but the matter is under active review.

Mr. Merchant: Apart from the strong ethical arguments in favour of voluntary membership of student unions, would there not be a considerable saving of public money from the change of student union membership to a voluntary nature, in that they would be founded on voluntary subscriptions by membership rather than by compulsory subscriptions by the taxpayer?

Mr. Brooke: I rest on my original answer about the integral part of a student union in its institution. The point about savings comes back to welfare, sports and social services provisions, and whether that should be a proper part of university and polytechnic activity.

Mr. Rhodes James: Will my hon. Friend reconsider that answer?

Mr. Brooke: I am clear that this is a matter of concern to my hon. Friends, and any matter of such concern is automatically a matter of concern to my right hon. Friend and myself.

Mr. Shearman: Is it not interesting that there is yet another attack on young people in this International Year of Youth? I am sure the Minister is aware that membership of the National Union of Students is not compulsory, so will he please tell his Back Benchers that? The National Union of Students of each separate college votes on whether or not it will affiliate to the NUS. Is the Minister aware that there have been ballots of all NUS members in Newcastle, Hatfield, Aston and Reading this year, and overwhelmingly the members said that they wanted to belong to the NUS?

Mr. Brooke: I hesitate to correct the hon. Gentleman, but the question that I have answered is not about the NUS.

Religious Education

6. **Mr. Peter Bruinvels** asked the Secretary of State for Education and Science if he is satisfied with the manner in which the provisions of the Education Act 1944, as they relate to morning assembly and religious education in schools, are being carried out by schools and by local education authorities.

Mr. Dunn: We have made it clear that we look to local education authorities and to the schools to ensure that the legal requirements are met. My right hon. Friend is concerned that there may be schools where those requirements are being breached, and is always prepared to look into complaints from parents or others on this matter.

Mr. Brulnvels: I thank my hon. Friend for that reply. Does he agree that far too many schools are abusing the system and not teaching the true religious denomination, language and history of Christ? Therefore, will he confirm that it is the Government's policy to maintain a strong commitment to the Education Act 1944 as relates to the provision of religious education throughout all schools?

Mr. Dunn: The religious education provisions of the 1944 Act are part of the settlement between the churches and the state which underpins that Act. At present, we have no intention of proposing any changes to those provisions.

Ms. Clare Short: Is the Minister aware that in many schools, and certainly in schools in my area, there are children from all the great religions—Sikh, Muslim, Catholic, Jewish, Jehovah's Witness and Pentecostal—and that the schools are attempting to get the children to respect each other's religions, which is a fine move? Is he further aware that any attempt to prevent such an assembly would be a reactionary move?

Mr. Dunn: Religious education in county schools has to be provided in accordance with an agreed syllabus which has been drawn up locally. A number of local education authorities have recently revised their agreed syllabuses. I hope that more will do so. They can take an opportunity then to draw upon the full range of religious faiths in their communities. However, I expect such a syllabus to contain an introduction to the Christian tradition, and that should be a central part of religious education in this country.

Mrs. Rumbold: Does my hon. Friend agree that, although the law is as written in the Education Act 1944, it is a sad fact that a number of schools do not have morning assembly? Notwithstanding the points that the hon. Member for Birmingham, Ladywood (Ms. Short) made, it is possible to start the day with an assembly encompassing many different religions. Is it not a shame, therefore, that we do not ask schools to do so?

Mr. Dunn: My right hon. Friend and I would deplore any attempt by any school to abolish daily worship.

Higher Education

7. **Mr. Fisher** asked the Secretary of State for Education and Science when he now expects to publish his Green Paper on higher education.

Sir Keith Joseph: Later this year.

Mr. Fisher: Will the Secretary of State consider the latest report of the central services unit, which shows that there are 3,000 fewer university graduates this year and, most damagingly, 600 fewer university graduates in science and technology? Is that not a direct result of the Government's cut in 1981 of money to universities strong in applied sciences, such as Salford and Aston? Will not further harm be done by his decision last year to cut money for scientific research? What will he do about it?

Sir Keith Joseph: I would be more impressed by the hon. Gentleman if he had stated the full facts. There has been an increase of 60,000 places in higher education, with an enormous increase since 1979, and the increase in polytechnic places far outnumbers the small fall in university places. I would also be more impressed if the hon. Gentleman, in referring to science expenditure, had explained that the reduction was simply a reduction in the increase that the Government had made available for science research. There is to be more science research next year than there was before.

Dr. Hampson: Is my right hon. Friend aware that the Green Paper will be very important for him if he is not to lose the battle of ideas in higher education? Is he further aware that, despite the many valuable improvements that he has initiated, a distinctly hostile atmosphere is building up in universities and polytechnics, to the point at which apparently only one in five is now sympathetic to the Conservative party?

Sir Keith Joseph: My hon. Friend may be a little romantic about the number who supported us before. I very much hope that the intelligent population in higher education will take account of the relatively poor economic performance that the country has achieved in recent decades. It is improving now, but it is still relatively disappointing. Therefore, they must look other than to the taxpayer for increasing even those small proportions of their funding.

Dr. Bray: Is the Secretary of State aware that, despite what he says, lack of funding is rapidly eroding basic science? Is he further aware that that is the advice of his own senior scientific advisers? What plans or proposals has he to make good the life support which he regarded as essential for the maintenance of basic science for just one year, which he then halved because of the student grant disaster?

Sir Keith Joseph: The hon. Gentleman is wrong on several counts. The Government reduced, but did not halve, the increased allocation. The hon. Gentleman should acknowledge that the Government have given a special increase for science research in the increase that was recently announced, including a necessary improvement in the unfortunately obsolescent provision of equipment in a number of universities. It is necessary that more should be provided for basic science and science research, and that process was begun this year.

Student Grant

8. **Mr. Nellist** asked the Secretary of State for Education and Science by what percentage the real value of a student grant is different from the level which would be paid had its value been increased since 1965 by *(a)* the rise in retail prices and *(b)* the rise in average industrial earnings.

Mr. Brooke: In 1984-85 the real value of the student grant was equal to 87 per cent. and 61 per cent. of its 1965 level when compared with increases in retail prices and average earnings respectively.

Mr. Nellist: Does the Minister agree that the cuts in the real value of grants in the past five to six years by the Government of whom he is a member have had an adverse effect on the right of working-class students to enter higher and further education, especially mature students? *[Interruption.]* Does he also agree that that right has been restricted by the value of the grant, which the Government have cut repeatedly? Does he accept that provision for the education and maintenance of students should be more firmly back in the hands of the state, where it belongs, and not increasingly put on the backs of parents?

Mr. Brooke: The statistics depend always on the base year. If the hon. Gentleman were to take 1970 as his base year, when the previous Conservative Government took office, he would find that the reduction has been only to 97 per cent.—it had almost held its ground. The hon. Gentleman spoke about working-class families. He will be aware that 30 per cent. of the mandatory awards that are subject to means-testing are full grants, which go to families with two children which are on two thirds of average national earnings.

Mr. Pawsey: Will my hon. Friend advise the House by how much spending on student grants has increased since 1979?

Mr. Brooke: My hon. Friend is right to draw the attention of the House to the fact that 60,000 additional students have greatly increased the amount that is spent on student support.

Mr. Wilson: Does the Minister accept that by quoting the lowest standard of 1970 as an example he has not done his case any good? Whichever angle is taken, the statistics show that the grant is basically inadequate and should be increased in the coming year.

Mr. Brooke: I acknowledge that the grant is at a lower level than it has been historically. However, taxpayers' interests have to be taken into account as well as those of students. The fact remains that a larger proportion of the relevant age group are choosing to go into higher education than ever before.

Mr. Forth: Does my hon. Friend agree that many of the arguments about student grants could be eliminated if we adopted a system of student loans, whereby adults of 18 years or over could obtain a loan from society which they could repay in compensation for the benefits that they received from higher and further education?

Mr. Brooke: My hon. Friend will know that my right hon. Friend the Secretary of State announced on 5 December that the Government would be conducting a review of student awards, and loans will be on the agenda of that review.

Mr. Freeson: When will the Secretary of State implement the proposals, which have been in and out of his Department for the past 10 years under successive Governments, on the introduction of a mandatory grant for all prospective students between the ages of 16 and 19 years? If the proposals cannot be implemented in the immediate future, what action will be taken within the coming months to enlarge and increase the scope of discretionary grants, which require more resources being given to local education authorities?

Mr. Brooke: The sum involved in meeting the right hon. Gentleman's request would be about £600 million. That is not within the Government's present gift or disposition. Secondly, if the Government were to make more money available to local education authorities for the funding of discretionary grants, they would not be able to control how the money would be spent, because discretionary grants are, by their very title, discretionary.

Mr. Tony Lloyd: Despite the laughter of Conservative Members when my hon. Friend the Member for Coventry, South-East (Mr. Nellist) spoke about the access of working-class students to universities and higher education, is it not a fact that Britain does badly in giving access to children from that background to our universities and other higher education establishments? Is it not a fact also that the level of student grant has declined in real terms, which means that there is a stronger disincentive for students from a working-class background to enter higher education, thereby denying the opportunities that are given to the children of Conservative Members?

Mr. Brooke: I can only repeat the 30 per cent. statistic which I quoted previously, which I agree was calculated on an income basis. The fact remains—and here we do have a problem—that the classification and numbers in the various categories vary as social movement takes place.

Mr. Sheerman: Does not this deterioration fit into the pattern of the Government's intention and policy to depress the standards of living of young people wherever they are found, whether they are students, whether they are on YTS, whether they are in work or whether they are on supplementary benefit? Does not the decision that has obviously been taken to withdraw supplementary benefit from young people up to the age of 18 fit into this conspiracy against young people? The Minister can protest, but he and his hon. Friends came from privileged backgrounds. Is it not about time that some of the fat cats opposite stood up for the young people of the country?

Mr. Brooke: I have a sense that the hon. Gentleman, in that question, was trying to ask the question that he sought to ask me on a previous occasion, but I deny absolutely the charge that he makes.

Mr. McQuarrie: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I will take points of order after Question Time.

Nursery School Nurses

9. **Miss Maynard** asked the Secretary of State for Education and Science how many qualified nursery nurses are employed in nursery schools in England and Wales.

Mr. Dunn: In January 1984, in England, there were 10,639 qualified nursery nurses employed in all forms of education provision for the under-fives. Of that number, 1,836 were employed in nursery schools. Information for Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

Miss Maynard: Does the Minister agree that nursery education is very valuable for both the child and the parent and that it has been shown to be cost-effective in the long term? Should not the Government be expanding nursery education rapidly in view of the empty classrooms and the large number of unemployed nursery nurses?

Mr. Dunn: I have to tell the hon. Lady that many local education authorities are using surplus classrooms to that very end. I must remind the House that it is for local education authorities to decide what education facilities to provide for the under-fives in the light of local needs and resources and their own local priorities.

Essex (Education Standards)

10. **Dr. McDonald** asked the Secretary of State for Education and Science if he is satisfied with the standards of primary and secondary education in Essex.

Sir Keith Joseph: The objective of Government policy is to bring about higher standards in all schools. I welcome Essex's efforts—as I do those of other authorities—in this regard.

Dr. McDonald: Is the Secretary of State aware that Essex spends less per pupil, particularly in the primary section of schooling, than the average non-metropolitan county? Is he also aware that Essex spends less on books and equipment — and that this spending is at a particularly low level — than the average non-metropolitan county? Before the Secretary of State tells me that spending has nothing to do with achievement, will he note from the statistics available that the O and A-level passes in Essex are below those that might be expected, given the social structure in Essex? If he is that concerned about the standards of education in Essex, will he encourage it to spend more on each child and on books and equipment?

Sir Keith Joseph: If the local authorities controlled by some of the hon. Lady's friends did not overspend so much, the Government would have been able to be slightly less stringent with some of those authorities, such as Essex, which have been prudent in their management.

Mr. Haselhurst: Is my right hon. Friend aware that there may be grounds for concern about whether effective use is being made of computers in rural primary schools and that this problem may also have arisen elsewhere?

Sir Keith Joseph: I am sure that my hon. Friend is right. That is why the Government are providing some money through education support grants for the reinforcement of education in rural primary schools.

Mr. Radice: Is the Secretary of State aware that many parents in Essex, as in other local authority areas, are now paying for essential items such as books, materials and equipment? Does he agree that that is entirely contrary to the spirit of the 1944 Act? Will he also rebut reports that in Chester he suggested that when parents were making such payments the local authority should reduce the capitation allowance accordingly?

Sir Keith Joseph: I should be very concerned if any such parental contributions were other than strictly voluntary.

Adult Education

11. **Mr. Freud** asked the Secretary of State for Education and Science whether he will make a statement on the current level of and trend in the provision of adult education classes?

Mr. Brooke: Figures of enrolments at local authority adult education centres in England for November 1983 show a rise of some 7 per cent. since November 1981. Enrolments for courses provided by the responsible bodies have similarly risen in recent years.

Mr. Freud: Does the Minister accept that the impositon of VAT on some evening classes undermines his party's commitment to adult education? In view of the negligible income involved and its substantial deterrent effect, will he have a word with the Chancellor with a view to eliminating the VAT charge?

Mr. Brooke: As the hon. Gentleman suggests, this is more a matter for my right hon. Friend the Chancellor. I think that it is generally accepted throughout the adult education service that the effect of the Customs move on VAT has been far less severe than was feared a year ago, before the guidelines were issued and implementation began.

Mr. Dorrell: In view of the prevailing interest in removing rigidities in the labour market, will my hon. Friend consider carefully the opportunities presented by adult education to improve the educational attainment for many people now unemployed and thus improve their job opportunities by improving the match between supply and demand in the labour market?

Mr. Brooke: I entirely endorse what my hon. Friend says. Indeed, it was with that purpose in mind that the Department launched the "Replan" initiative for the adult unemployed.

Student Loans

12. **Mr. Andrew F. Bennett** asked the Secretary of State for Education and Science if he will publish the working papers from his Department's inquiry into student loans carried out during the last three years?

Mr. Brooke: No. These are internal Government papers, which are not for publication.

Mr. Bennett: Why are the Government afraid to put that information before the public? Is it because it shows that loans would not work and would have considerable implications in terms of increased public expenditure?

Mr. Brooke: I have every confidence that the same kind of considerations that were taken into account before 1983 will be considered again in the review during the coming year.

Teachers (Pay)

13. **Mr. Madel** asked the Secretary of State for Education and Science what representations he has received from the local education authorities and the teachers' trade unions in relation to the proposed new salary structure for teachers; and if he will make a statement.

Sir Keith Joseph: The proposals for salary structure reform were made by the local authority employers. A number of organisations and individuals have sent me their views on various aspects of the proposals.

Mr. Madel: Is it now accepted by the local authorities and the teachers' unions that assessment of the performance of a teacher depends very much on the needs and circumstances of the school at which he teaches and that the Government expect that to be incorporated in any new salary structure?

Sir Keith Joseph: I really cannot answer that question. I do not know whether that is widely accepted. The proposals were made by the local authority employers and, while I approve of the general drift and some of the details, I am not associated with the offer itself.

Mr. Nellist: If the Secretary of State forced through his proposals for assessment and appraisal of teachers, would the teachers being appraised have the right to see and to criticise the reports made on them? Would they also have the right to appeal against them and, if so, to whom?

Sir Keith Joseph: I am glad that the hon. Gentleman asks such relevant questions. It is to discuss all the options, including those mentioned, that the Government wish to encourage evaluations of different forms of appraisal, and stand ready with public money to finance such experiments.

Basildon (Ministerial Visit)

14. **Mr. Amess** asked the Secretary of State for Education and Science if he will make a statement on the visit to Basildon of the Parliamentary Under-Secretary of State, the hon. Member for Dartford (Mr. Dunn) on 10 December.

Mr. Dunn: As my hon. Friend knows, I went to Basildon at his invitation for what proved to be an interesting meeting with local school teachers and governors about the Green Paper on school government. The hon. Member for Dartford had a most enjoyable time during his stay in Basildon.

Mr. Amess: Does my hon. Friend agree that the meeting in Basildon to discuss the Green Paper proposals on parental influence in schools clearly shows that we already have many able parents as governors? Will my hon. Friend stand by his proposals to increase the influence of parents in the running of schools?

Mr. Dunn: My first-hand contact with teachers and governors at the meeting led me to form a most favourable impression. Inasmuch as I bless good practice anywhere, I certainly welcomed it in Basildon.

PRIME MINISTER

Engagements

Q1. **Mr. Kilroy-Silk** asked the Prime Minister if she will list her official engagements for Tuesday 22 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Kilroy-Silk: If, as the Prime Minister said on Tuesday, Britain is still worth investing in, when will the right hon. Lady put her money where her mouth is and invest more in jobs and people?

The Prime Minister: Last year there was an all-time record of investment of £55 billion in the United Kingdom, and that seems a very good earnest of faith in Britain and a good return on investment for people who invest here.

Mr. Rost: Will my right hon. Friend reaffirm her respect for the increasing flood of working miners who are fighting to save what is left of their industry after the disastrous NUM leadership has tried to ruin it?

The Prime Minister: Yes, gladly. The working miners have given first-class leadership, demonstrated courage and bravery and done a great deal for their industry. They have kept the rest of industry going in Britain and kept the homes of Britain warm.

Mr. Kinnock: The National Union of Mineworkers has decided to expand the negotiating team to embrace the whole executive and has made a new offer to enter into negotiations without preconditions. Mr. Ian MacGregor has said that he wants resumed negotiations. In view of those developments and the £4 billion cost of the dispute so far, why is the Prime Minister's Office giving briefings to the press saying that the Government do not favour a return to talks until more than 50 per cent. of the miners have been driven back to work?

The Prime Minister: I noticed the offer of talks, allegedly without preconditions. I noticed also what the leader of the NUM said at the same time as that offer was made. He said that his aim was what it was at the start of the dispute, that the industry should not close pits on economic considerations: some lack of preconditions!

Mr. Kinnock: No preconditions means no preconditions. Why does the Prime Minister not test the strength of the undertaking by using her power to encourage a return to the negotiating table? Is it because she is afraid that there might be a settlement if that were undertaken? Is it the case, after all these months of strikes and with new opportunities now existing, that her cynicism and vindictiveness have overwhelmed all sense of duty?

The Prime Minister: If the right hon. Gentleman really wants an end to this strike, as I do, he can achieve that in two ways. First, he can ensure that the NUM withdraws its impossible demand that no uneconomic pits shall close—that is a point on which seven rounds of talks have foundered—and secondly, he can do so by the simple method of accepting the independent ACAS compromise settlement.

Mr. Kinnock: Will the Prime Minister now answer the question? Why does she not use the power that we know she has to test the strength of the undertaking that negotiations will be entered into without preconditions by encouraging the National Coal Board to go to those negotiations?

The Prime Minister: No, because I noted what the leader of the NUM said. He said:

"My aim is what it was at the start of this dispute"—

Mr. Scargill said this on Sunday

"that this industry does not close pits down on economic considerations."

If the right hon. Gentleman means without preconditions, perhaps he would advise the NUM to accept the ACAS agreement. Will the right hon. Gentleman — *[Interruption.]*

Mr. Speaker: Order. These are very serious matters of concern to the whole House. It is only fair that the Prime Minister should have an opportunity to answer the question.

The Prime Minister: Seven rounds of talks have foundered on the essential point that the leadership of the NUM has boasted that it has not budged an inch. As Mr. Eaton said yesterday, there is no point in going into a further round of talks only to fail.

If the right hon. Member for Islwyn (Mr. Kinnock) wants a further round of talks, the NUM should be advised to withdraw its impossible demand that no uneconomic pits should close. He should advise the NUM to accept the independent settlement recommended by ACAS — a body set up by the last Labour Government. He dare not do so.

Sir Anthony Grant: Will my right hon. Friend reflect on the fact that during the past year there were no fewer than seven rounds of talks—175 hours—during which

what many regarded as over-generous concessions were made by the NCB? Is she aware that in the opinion of the majority—certainly on the Conservative Benches—the only talks necessary now are for Mr. Scargill to talk to the NCB and accept the terms offered, as NACODS did in earlier negotiations?

The Prime Minister: ACAS was independent. It reached a compromise settlement, which the NCB accepted but which the NUM did not accept. The right hon. Member for Islwyn should urge the NUM to accept that settlement so that there can be an end to the strike.

Q2. **Mr. Wareing** asked the Prime Minister if she will list her official engagements for Tuesday 22 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wareing: Is the Prime Minister prepared publicly to commend the decision of the Soviet Union to enter the arms talks without preconditions? If so, why is she so opposed to the decision of the NUM to enter into talks without preconditions, despite its earlier position on the question of uneconomic pits? Is it not better to jaw-jaw than to war-war?

The Prime Minister: It is better to accept the independent ACAS settlement. Why does the hon. Gentleman refuse to do so?

Sir John Biggs-Davison: To be realistic, is it not inconceivable that any sane trade union leader should expect better terms from the NCB than those offered, and which are the envy of workers in other industries? Would it not be statesmanlike of the Leader of the Opposition if he were to advise his friends in the mining industry to bring this unnecessary dispute to an end so that the miners could accept the excellent terms offered?

The Prime Minister: Yes. As Mr. Michael Eaton, the Yorkshire area director, said this morning:

"Our offer of no compulsory redundancies, guaranteed jobs, continuing major investment in the future of the industry and pay increases really is the best deal for miners than anything that has been available since nationalisation".

Some 77,000 members of the National Union of Mineworkers are not on strike. Well over 30,000 members of the National Union of Mineworkers have returned to work since the beginning of the strike, including 8,400 this year. They are accepting this best-ever offer.

Mr. Steel: Does the Prime Minister recall that last October, during the committal proceedings of Mr. Clive Ponting, the prosecution reported that no national security had been damaged by his actions? In view of that, why is he now being subjected to an East European style secret trial? Who took the decision to make it in camera——

Mr. Speaker: Order. I hope that the right hon. Gentleman will have regard to the sub judice rule.

Mr. Steel: I am asking about who took the decision that the trial should be held in camera and who took the decision that the jury should be vetted?

The Prime Minister: The full trial starts on Monday next, 28 January. As far as I am concerned, the matter is sub judice. The courts are independent of Parliament and must remain so.

Q3. **Mr. George Robertson** asked the Prime Minister if she will list her official engagements for Tuesday 22 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. George Robertson: Will the Prime Minister care to take time to look at the weather map of the United Kingdom? Will she reflect on the fact that the regulations of the Department of Health and Social Security mean that the poor, the old and the sick who are freezing in the east midlands, west Wales, east Anglia and London are now to get help with their heating bills, but that those who are freezing in Scotland and the north, which today are blanketed in snow, are to get no help at all? Will the Prime Minister today give the order that these insane and insensitive regulations should be withdrawn forthwith?

The Prime Minister: Spending on heating additions —*[Interruption.]* The Opposition hate to hear this. It shows how bad their record was in practice. It reminds them that they tried to stop heating getting into homes. Now they are asking for extra grants. Spending on heating additions—I shall gladly answer the question—has risen by £140 million in real terms to £400 million this year. The value of heating additions is up by 40 per cent. more than the rise in prices. What the hon. Gentleman is referring to is on top of that excellent record. The particular regulation to which he referred, as my hon. Friend the Minister for Social Security made clear a week ago, is at present under review.

Mr. Couchman: During her busy day, has my right hon. Friend had time to read the report stating that the European Parliament is to consider the tattooing of domestic pets? Will she confirm that this will be a complete waste of time by this body and will she confirm that this country will have nothing whatever to do with it?

The Prime Minister: I thought it was absolutely ridiculous. I hope that the European Assembly has something better to do with its time than that.

Mr. Wilson: Will the Prime Minister now answer the question put to her by the hon. Member for Hamilton (Mr. Robertson): why should additional heating allowances be given to the people of southern Ireland *[Laughter.]*

Mr. Speaker: Order. We all make mistakes.

Mr. Wilson: —to the people of southern England, deprived though they are? Does she not realise that people in Scotland have greeted with incredulity and resentment the announcement made yesterday by her right hon. Friend that large areas of England are to be given these allowances? Is the Prime Minister's message to the people of Scotland that so far as she is concerned they can shiver and die of cold?

The Prime Minister: That is nonsense, and the hon. Gentleman knows that it is nonsense. The ordinary heating additions and, indeed, the extraordinary heating additions, amount to some £400 million this year, of which £200 million are paid to pensioners. Of course, the people of Scotland fully participate in and fully receive those heating benefits. What the hon. Gentleman is talking about is additions to the £400 million, which are distributed on the same basis—an extra single payment that is distributed when certain objective tests are reached. The hon. Gentleman does not like those objective tests, but they are laid out for everyone to see and to ensure that that regulation is fairly administered. The hon. Gentleman does not like the objective tests. The whole question of the

single payment legislation is being considered and reviewed at the moment by my right hon. Friend the Secretary of State for Social Services.

Q4. **Mrs. Currie** asked the Prime Minister if she will list her official engagements for Tuesday 22 January.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mrs. Currie: Has my right hon. Friend noticed the considerable lightening of the atmosphere of East-West relations following the recent talks in Geneva? When she visits President Reagan in the near future, will she take with her the message that the British people have a strong desire for peace and wish to see a substantial reduction in arms expenditure by East and West and a reduction in the armaments that are currently stockpiled?

The Prime Minister: Yes, we very much welcome the talks between Secretary Shultz and Foreign Minister Gromyko. We welcome the results. There is a long way to go on settling the agendas and deciding the forums in which those talks will take place. We wish them well. Our policy is one of balanced and verifiable arms reduction and we hope to achieve a reduction in the amount spent on weaponry, provided that we always keep balance and verification.

Questions to Ministers

3.30 pm

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker.

Mr. Dave Nellist (Coventry, South-East): On a point of order, Mr. Speaker.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker.

Mr. Speaker: Order. Unless the points of order rise directly out of Question Time I shall take them later.

Mr. Dalyell: During a supplementary question by the leader of the Liberal party, Mr. Speaker, you referred to the use of the sub judice rule in relation to the Ponting trial at the Old Bailey. That has been interpreted with some considerable elasticity. Are questions to the Attorney-General on the criteria for vetting the jury out of order? Is it out of order to ask questions about the role of the Secretary of State for Defence in the trial? Are we to believe that all that is now sub judice and cannot be mentioned in the House of Commons?

Mr. Speaker: Allow me to clear up this important matter. The case itself is within the sub judice rule. It is a matter awaiting adjudication in a court exercising a criminal jurisdiction. The issue of the vetting of the jury for the trial is sub judice because the security aspects of the case are all-important. For the House to discuss any facet of them could be held to be prejudicial to the conduct of the trial.

Mr. Ivor Stanbrook (Orpington): Further to that point of order, Mr. Speaker. Is it not reprehensible and an abuse of the rules of the House for the right hon. and learned Member for Aberavon (Mr. Morris) to complain publicly on the BBC this morning that you had not allowed him to put a private notice question on that matter which, in any event, is sub judice?

Mr. Speaker: Order. The right hon. and learned Gentleman has apologised to me for that matter.

Mr. John Morris (Aberavon): Further to that point of order, Mr. Speaker. If I in any way transgressed the rules of the House, obviously I would be the first, as you know, to express my regret to you and to the House. But as I told you, I was unaware that one was not able to refer to the fact that a private notice question had been disallowed. It is the first time that I have heard that rule.

Having said that, there are matters of importance that do not touch the sub judice rule—matters referred to by my hon. Friend the Member for Linlithgow (Mr. Dalyell), such as the conduct of the Secretary of State for Defence and the assurances given by the Attorney-General to the House that he would have jury vetting only upon the recommendation of the Director of Public Prosecutions. In the meantime, we read reports that the Director has not made such a recommendation and in those circumstances there would appear to be a breach of the assurance given by the Attorney-General. If I am wrong, should not the Secretary of State and the Attorney-General be given the opportunity to state their position?

The Attorney-General (Sir Michael Havers): Further to that point of order, Mr. Speaker. The House should know the real facts. The Director of Public Prosecutions asked me for permission to vet the jury at the end of last week, and I consented to that request. The defence solicitor has applied for a copy of a document prepared by Mr. Ponting, which sets out the events leading up to the sinking of the Belgrano. He recognised that certain parts of the document might involve intelligence information and was prepared to accept a bowdlerised version. Such a version would be extremely misleading. I sought permission from Ministers concerned with the national security in the document for permission to use the whole document, but in camera.

Mr. Skinner: On a point of order, Mr. Speaker.

Mr. Speaker: Order. As is my normal practice, I shall take points of order at the end of the statements, unless they arise directly from Question Time.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Further to that point of order, Mr. Speaker. Surely the Prime Minister should have given me that answer when I asked my question. It is quite wrong—*[Interruption.]* I asked a straight question after you rightly warned me about the danger of breaking the sub judice rule. My question was in order and the Prime Minister refused to answer it. It is quite wrong to have to continue this matter with points of order at the end of Question Time.

Mr. Skinner *rose*——

Mr. Speaker: Order. I shall take points of order on other matters later.

Mr. Dick Douglas (Dunfermline, West): Further to that point of order, Mr. Speaker. We are already seeing that the procedures of the House are flexible. We have heard the Prime Minister in answers to questions from the Leader of the Opposition about the miners' dispute give a clear indication of the Government's role in and views about the dispute. Have you received any request either from the Secretary of State for Energy or the Secretary of State for Employment to come and show clearly to the House their role in the dispute in giving advice or support to the National Coal Board? If you have not, would you consider what powers you have or what role you can play to ensure that the issue is properly ventilated in the House?

Mr. Speaker: Order. The hon. Member is making points of order very flexible by seeking to prolong Question Time with such a question. We had this at some length last week. I am not responsible for statements from the Government Front Bench, but for ensuring that Back Bench Members have an opportunity to put their questions, and I discharge that duty. Mr. Skinner.

Mr. Skinner: On a point of order, Mr. Speaker——

Mr. Norman Atkinson (Tottenham): Further to that point of order, Mr. Speaker.

Mr. Speaker: Order. I called Mr. Skinner, and he has as much right as the hon. Member to speak.

Mr. Skinner: Stranger things will happen before we are done. Mr. Speaker, you will have heard during the exchanges between the Leader of the Opposition and the Prime Minister that the question of the talks about the coal strike was so important that the Tory Government felt it necessary to call upon Tory knights to defend the Prime Minister. In view of the fact that the short debate began, would you look favourably on the idea of extending that

debate when Standing Order No. 10 applications are made later, so that those who were interested in the opening rounds can continue the debate about the miners later?

Mr. Speaker: That is an extremely hypothetical question.

Mr. Atkinson: Further to that point of order, Mr. Speaker. I was by no means claiming precedence over my hon. Friend the Member for Bolsover (Mr. Skinner). I wish to raise a question arising from the statement that you made to the House, in which you said that you were satisfied that the security matters involved in the Ponting case were extremely sensitive. Have you examined all those papers to ensure that you are satisfied, or are you taking instructions from the Attorney-General, who suggested——

Mr. Speaker: Order. That is a wholly unworthy comment from an hon. Member with the experience of the hon. Member for Tottenham (Mr. Atkinson).

Mr. Atkinson: It is by no means an unworthy comment from myself — [HON. MEMBERS: "Withdraw."] I will certainly not withdraw anything, following the yapping of Conservative Members. All of us here have an equal responsibility to ensure that the rights of Back Bench Members and of the House are protected, but Mr. Speaker has ruled that we must be prevented from discussing those important matters. Some of us believe that he has accepted, on the surface and without examination, the fact that sensitive matters are involved that may not be discussed by the House. I am asking the simple and genuine question: are you satisfied, Mr. Speaker, from your examination, that these matters are, as the Attorney-General claims, too sensitive for the House to discuss?

Mr. Speaker: Order. First of all, I say to the hon. Gentleman that I take instructions from absolutely nobody. Secondly, I must tell him that my responsibility in such matters is to ensure that the sub judice rule is not breached, in order that those who are in the courts will not have their trials prejudiced. That is a responsibility that every hon. Member should discharge equally.

Mr. Dalyell: Further to that point of order, Mr. Speaker. Does that mean that questions to the Attorney-General about the criteria for vetting are out of order? Further, it will be within your recollection, Mr. Speaker, that on 9 October at Bow Street magistrates' court, Mr. Roy Amlot, on behalf of the prosecution, said that no security issues were involved. Can Parliament be told what has happened between 9 October and late January to make the position different?

Mr. Speaker: I have looked carefully into the application of the sub judice rule to this case, and I am satisfied that my ruling is correct. I cannot go beyond that.

Mr. Gavin Strang (Edinburgh, East): Further to that point of order, Mr. Speaker. The whole House listened with great care to the answer that you gave to my hon. Friend the Member for Linlithgow (Mr. Dalyell) on the crucial question of the operation of the sub judice rule in this case. Did your answer rule out the decision to hold the trial in secret? You covered the case and the vetting of the jury, but is the House debarred from discussing and voting on the decision to hold the trial in secret?

Mr. Speaker: That is clearly not a matter for me.

Mr. John Ryman (Blyth Valley): Further to that point of order, Mr. Speaker. I do not wish to prolong this matter, but surely it is only for the trial judge to decide, upon the application of the Crown, whether the trial should be held in secret. Will not the trial judge make that ruling after hearing submissions from the Crown and the defence?

Mr. Speaker: That may be the factual case. As I said to the hon. Member for Edinburgh, East (Mr. Strang), it is not for me to decide whether the case should be heard in secret.

Dr. David Owen (Plymouth, Devonport): Further to that point of order, Mr. Speaker. We must be clear about what the Attorney-General is saying. Did he rise on a point of order, or is what he said open to questions? We were told about only one aspect of the dialogue with Mr. Ponting's solicitors. After the bowdlerised version was requested and that request turned down by the Attorney-General, were Mr. Ponting's solicitors consulted before the decision was taken to reveal the full document and to hear the entire case in camera? Those are detailed questions. What surprised many people was that the Attorney-General went as far as he did on a point of order, and now seems to have closed down further questions on what he said.

Mr. Speaker: The House will have heard the Attorney-General say, "Further to that point of order." That phrase is not a statement and, although the matter could, on a subsequent occasion, be subject to questioning, it is not this afternoon.

Mr. Strang: Further to the point of order I raised earlier, Mr. Speaker — and I am grateful for your indulgence — may I ask whether the House is to be allowed to express a view on the decision to hold the trial in secret?

Mr. Speaker: Not on this matter at this moment. There are other methods of drawing attention to the issue; I notice that there is an early-day motion on the Order Paper today dealing with the general issue. I have this afternoon simply given a factual ruling on the specific matter in the courts.

Mr. John Morris *rose*——

Mr. Speaker: After hearing the right hon. and learned Member for Aberavon (Mr. Morris), the Shadow Attorney-General, we shall have to move on.

Mr. Morris: Further to that point of order, Mr. Speaker. The House will be grateful, despite my failure to obtain permission to table a private notice question, that the Attorney-General has at last risen to his feet to clarify some of the issues. It will be within your recollection, Mr. Speaker, that I sought to table a question and to obtain guidance from you many weeks ago regarding the sub judice rule on another matter and you ruled that I could not raise those matters. Subsequently, in the course of an exchange in the House, the Attorney-General spelt out in detail precisely the matters that I was not able, on your ruling, to raise with him. In view of that, is it not high time that the sub judice rule was examined to ensure that it applies equally to all hon. Members of the House?

Several Hon. Members *rose*——

Mr. Speaker: Order. I do not propose to take any further points of order on this matter. To answer the right

[Mr. Speaker]

hon. and learned Member for Aberavon—I am surprised that he does not know this with regard to private notice questions and I will reaffirm the position for the benefit of the House—it is not part of our conventions that the refusal of, or even application for, a private notice question is mentioned in the Chamber. And if it is not mentioned in the Chamber, it is certainly not mentioned on the radio. I hope, therefore, that what occurred will not happen again.

Regarding the sub judice rule, I take careful advice on what matters are sub judice, and the position is absolutely clear. The rule is designed to ensure that those who may be before the courts have their rights protected. It would be wrong—I am sure that the whole House accepts that it would be wrong—if anything said here prejudiced a trial. The House would not want that and we should not allow it.

Brighton Bombing (Hoddinott Report)

3.38 pm

The Secretary of State for the Home Department (Mr. Leon Brittan): With permission, Mr. Speaker, I should like to make a statement about the conclusions of the inquiry into security arrangements for last year's Conservative party conference.

On 22 October last year, I made a statement about the explosion at Brighton. Police investigations into that crime are still continuing. The evidence so far obtained suggests that the explosion was caused by a device containing between 20 and 30lb of explosive placed behind a bath panel in room 629 on the sixth floor of the Grand Hotel. It was almost certainly detonated by a long delay timer.

The police have made exhaustive inquiries about staff and guests at the hotel. They have established that someone who stayed in room 629 for three days about three weeks before the explosion had given a false address. Inquiries to trace him and other inquiries related to electronic devices recovered from the debris are continuing. The House will not expect me to go into further details about them.

In my statement last year, I told the House that the chief constable of Sussex had asked Mr. Hoddinott, the deputy chief constable of Hampshire, to investigate the security arrangements in place at the time of the conference. I have now received and studied a copy of his report. It cannot, for reasons of security, be published, but I have placed in the Library of the House a summary, which Mr. Hoddinott has confirmed gives a fair and accurate account of his findings. Copies are also available in the Vote Office. I understand that the Sussex police authority is meeting to discuss the report with the chief constable tomorrow.

Mr. Hoddinott has conducted a comprehensive and detailed inquiry into the plans and arrangements made for security at the conference and the efficiency with which they were carried out. The House will see from the summary that he has judged the performance of the Sussex police against the information which was available to them and the level of precautions which were then regarded as usual and acceptable to those concerned.

Mr. Hoddinott's general conclusion against that background is that the Sussex police made proper and reasonable plans and implemented them competently and professionally. He finds that they had access to all the relevant intelligence information up to the time of the explosion, and took proper account of it. He makes a number of detailed criticisms of the arrangements for communications within the Sussex force both of threat levels and the requirements for searches. He also criticises the adequacy of the co-operation between hotel management and the police.

Mr. Hoddinott paid particular attention to search procedures. He did not criticise the police for failing to control and search each person entering the hotel during the period of the conference. He concluded that the hotel and those wishing to use it would not have accepted such an arrangement and that, given the assumption of free access to the hotel, the numbers involved would anyway have made it impracticable. He stresses that it has hitherto always been the practice of the police to take the basic nature of the occasion to be protected as the starting point

for protection and security precautions, rather than to seek to change the nature of the occasion itself on security grounds.

Mr. Hoddinott found that it would not have been the practice of any police force in Great Britain or Northern Ireland to have conducted a full search of the entire hotel prior to the conference. The view would have been taken that, if it were to be fully effective, such a search would have taken some weeks, during which time the hotel would have had to be closed, with public access denied until the conference was over. Mr. Hoddinott's judgment is that on the basis of the procedures which then seemed reasonable and likely to be acceptable to those concerned, the Sussex police are not to be criticised for the fact that the bomb hidden on the sixth floor was not discovered.

Mr. Hoddinott was critical, however, of the inadequate search that was made of the first floor, which should under standard police procedures have been searched. The failure to do so adequately was caused by the absence of a clear allocation of responsibility within the Sussex police. Different and stricter arrangements for searching were possible at the conference centre, where the building was to a much greater degree taken over for the exclusive use of the Conservative party and was inherently easier to search.

Looking to the future, Mr. Hoddinott has not attempted to prescribe new policing arrangements, but he has, as the House will see from the summary of his report, drawn attention to a number of important areas where changes now need to be considered on a national basis. He also makes it clear, however, that a balance will always have to be struck between security and the conduct of political affairs in our open democratic society.

The House will recall that I announced in my statement last October that we had at that stage already set in hand new arrangements centrally both for assessing terrorist intentions and capabilities and for co-ordinating the counter-measures required to meet them. Those central arrangements are now fully in place and I believe that they have already proved their value.

However, many of the specific counter-measures are and will remain the responsibility of local police forces, with the Metropolitan police special branch having particular national responsibilities. To assist them in their task I am now setting up a new permanent working group. Its role will be to bring about successful co-ordination between police forces throughout Great Britain and also to ensure that they have available to them all relevant techniques and experience. This group, under Home Office chairmanship, will monitor the advice and techniques available for protecting targets and countering terrorist threats and will co-ordinate the promulgation of advice to police forces. It will include, in addition to the police, representatives of the security service and the Army. I have already arranged with my right hon. Friends the Secretaries of State for Defence, for Northern Ireland and for Scotland to involve the Army and the Royal Ulster Constabulary in training police officers from all mainland forces in search techniques and to ensure that full use is made of the relevant experience gained in Northern Ireland.

The chief constable of Sussex, after discussion with his police authority tomorrow, will take corrective action for the future on the specific criticisms of his own force contained in the report, and the new working group will ensure that the points of general relevance are made to all chief constables.

Since the explosion at Brighton, the Metropolitan police have reviewed and increased the measures they take to protect members of the Cabinet and others who may be at particular risk. Mr. Hoddinott's report is bound also to lead us to consider afresh all the precautions that need to be taken for the major party conferences in 1985 and for similar major political events. Difficult decisions will have to taken about many matters relating to security, including the extent and manner of public access, the accommodation of political leaders subject to particular threat, pass systems and arrangements for stewarding meetings. These questions raise important issues about the cost and acceptibility of changes to established democratic traditions. The answers will not be the same in the case of each event, but I am sure that representatives of the political parties should participate in the process of resolving these issues. I have therefore asked Her Majesty's Chief Inspector of Constabulary, Sir Lawrence Byford, to head a team of chief constables and others to prepare urgently proposals for security at this year's party conferences and comparable occasions and I am writing today to invite party representatives to be involved actively in the work of this group.

I am most grateful to Mr. Hoddinott for the very thorough and professional way in which he carried out his task. He has given his assessment of what happened at Brighton, of the problems that now need to be tackled and the further questions that must be answered. As I said last October, total security is impossible in a free, democratic society, but in the light of Brighton we must enhance previously acceptable levels of security and equip ourselves to take in a clear-sighted way the difficult decisions involved in making any changes in the balance between security and the conduct of politics in a free society. I believe that the decisions that I have now taken will help significantly to enhance security and provide a firm framework for giving acceptable and practical answers to the outstanding questions.

Mr. Gerald Kaufman (Manchester, Gorton): The safety and security of Her Majesty's Government are matters which transcend party politics; it is that absolute principle which governs the response of Her Majesty's Opposition to the Home Secretary's statement. That being so, I have to say that, on behalf of Her Majesty's Opposition, I find it impossible to make any properly informed comment on what the Home Secretary has told the House. I am frankly astonished that access to the full Hoddinott report has not been made available to the appropriate representatives of Her Majesty's Opposition on Privy Councillor terms.

My right hon. Friend the Member for Morley and Leeds, South (Mr. Rees) assures me, as a former Home Secretary, that he would have arranged for such confidential access, especially as the Home Secretary acknowledges that this matter is of importance not merely to the Conservative party but to other political parties. Although it is entirely right and proper to involve the relevant party representatives in the activities of the working group which is to be set up, I would have expected the Home Secretary himself to discuss these matters with the appropriate representatives of the political parties that are represented in this House.

[Mr. Gerald Kaufman]

The Home Secretary's statement raises a number of disturbing matters. I pay tribute to the dedicated work of the police, the fire, the ambulance service and the other public services in Brighton three months ago. All of us owe them a profound debt for the hazards that they readily risked on behalf of the entire community. The police did to the very best of their ability all that they were asked to do, but they were not always given the right orders. We have heard of the inadequate search of the ministerial floor of the Grand Hotel. That is very worrying indeed.

The Home Secretary said that Mr. Hoddinott's judgment is that, on the basis of procedures that then seemed reasonable and likely to be acceptable to those concerned, the Sussex police are not to be criticised for the fact that the bomb hidden on the sixth floor was not discovered. However, the fact must be faced that, on the basis of the inadequate search, a bomb on the first floor might not have been discovered either. Also very worrying is the inadequate co-operation between the hotel management and the police. Without proper information, it is impossible to be sure, but I have to be convinced that it would have been out of the question to conduct a more thorough search, even if not a totally thorough search, of the other floors of the hotel.

While I accept that it would not have been possible to seal the entrances to the hotel and search thoroughly all who sought entrance, some searching of portable items could and should have been considered. After all, many shops and places of entertainment make the effort, even without the presence of members of the Cabinet on their premises.

Furthermore, I should have thought that it made sense to study the security practices in other countries that face comparable problems, to establish whether there are lessons that we can learn. From what has been made available to the House, I find the report inadequate and complacent. The secure continuance of the Queen's Government and political life in this country are fundamental to our democracy and the public requires better reassurance that it has been given this afternoon.

Mr. Brittan: I think that the right hon. Gentleman will want to reconsider what he has said in the light of full consideration of my statement, because he seems to have failed to understand that what I had to say was in two parts. First, I was giving the House an account of Mr. Hoddinott's report, which was made independently by a distinguished police officer, made essentially to the chief constable of Sussex, and for wider consideration as well. I then went on to give an account of the response to that report, which the right hon. Gentleman may not have fully appreciated.

I am sorry that the right hon. Gentleman regrets not having had access to the full Hoddinott report. I assure him that there is a precedent for the procedure whereby a document which on security grounds cannot be published is summarised and the summary is placed in the House. I also assure him that Mr. Hoddinott is satisfied that all the criticisms made in his full report are properly and adequately reflected in the summary, which I hope the right hon. Gentleman will study carefully.

What the right hon. Gentleman said about the deficiencies found by Mr. Hoddinott merely repeats what I said in my statement. Mr. Hoddinott did not say that a more full search of the premises was out of the question. He merely explained why it did not take place and what the consequences of such a search would have been.

As to the experience of other countries, I assure the right hon. Gentleman that the group, set up with the wide membership to which I have referred, will have every opportunity to consider the experience of other countries, and will want to do that in its work. I assure the right hon. Gentleman that the Government's response in setting up this new and broadly based group and encouraging the participation of the political parties in the working out of practical, acceptable arrangements are for party conferences and other events in the coming months is a serious response to a situation the gravity of which I have no reason whatsoever to underestimate.

Mr. Julian Amery (Brighton, Pavilion): Is my right hon. and learned Friend aware that his detailed and full statement will be widely welcomed in Brighton and the whole of Sussex? As it was a full and detailed statement, will he confirm two points that will be immediately in the minds of Brighton and Sussex people tonight? First, did the Sussex police co-operate fully in the inquiry and, secondly, subject to the inquiry now being conducted by the Sussex police, is there reason to believe that they fell down on their duty in any respect?

Mr. Brittan: It is the case that the Sussex police co-operated fully in the inquiry, and I assure my right hon. Friend that the full extent of both the criticisms and the praise made by Mr. Hoddinott about the Sussex police were adequately reflected both in the summary and in what I have said to the House.

Mr. Alex Carlile (Montgomery): Although Mr. Hoddinott has said that the Sussex police are not to be criticised for failing to find the bomb, does the Home Secretary agree that there remain substantial questions over the part played by Metropolitan police officers? In particular, will he confirm that, some two weeks before the explosion, a purported search was carried out by Metropolitan police officers, which the Sussex police had every reason to believe was thorough?

Will the right hon. and learned Gentleman also confirm that, whereas a search was carried out of the first floor, on which Cabinet Ministers were staying, the officers carrying out that search forgot to search the suite of the right hon. and learned Gentleman himself? Does there not remain a need for a thorough-going inquiry into the level of co-operation by the Metropolitan police and the Sussex police, particularly relating to criminal intelligence?

Mr. Britain: I do not agree with much of what the hon. and learned Gentleman has said. In particular, there is nothing to warrant the criticism of the Metropolitan police. I do not know the basis for making it. As to the search of the first floor premises, I made it clear in my statement that there was a criticism of the fact that those premises were not searched thoroughly and that criticism of the failure to establish responsibility for who should conduct such a search was one of the features of the Hoddinott report. The hon. and learned Gentleman is right to say that, of the three relevant suites, two were searched and the one that was not was mine.

Mr. Andrew Bowden (Brighton, Kemptown): The deputy chief constable of Hampshire has done a valuable service to the nation. In examining this appalling incident,

a number of lessons have been learnt, and he has the advantage of hindsight. The Sussex police and the chief constable of Sussex have come under some unreasonable criticism since the incident. The House should remember that the morale of that force is bound to be hurt by unfair, unjustified and unsubstantiated criticism.

Will my right hon. Friend say yet again that it is clear that there was no justification for most of the attacks upon the Sussex police, or for the scurrilous attacks on the integrity and professional ability of the chief constable? Will he confirm that nobody could have expected that explosive device to be found unless the hotel had literally been taken apart brick by brick? Will he confirm that nobody who was in Brighton at that time, or who has ever attended a party conference, would think that one could conceivably begin to search the hundreds of people who go in and out of a major conference hotel? From what we have already heard from my right hon. and learned Friend, the report clearly vindicates the efficiency and professional conduct of the Sussex police, and it will be welcomed by the people of Sussex and the nation as a whole.

Mr. Brittan: I am grateful to my hon. Friend, and I endorse what he has said. As I said in my statement, the general conclusion of Mr. Hoddinott was that, against the background that I have described, the Sussex police made proper and reasonable plans and implemented them properly and efficiently. The criticisms of detail have to be seen against that general finding. It is also worth mentioning that, in the group under Sir Lawrence Byford, which will be seeking to reach agreement with the parties about security arrangements for conferences and similar functions, among those who will be assisting Sir Lawrence Byford will be the chief constable of Sussex, Mr. Roger Birch, and Mr. Hoddinott himself.

Mr. Merlyn Rees (Morley and Leeds, South): Will the Home Secretary accept that the starting point for anything he wants to do, and in which the House will support him, has to be based on the fact that there is a large number of paramilitary groups on both sides of the divide in Northern Ireland who believe in killing, and who will do it again? Will he accept that the fuss, properly made, during the last three months because something happened here gave them nothing but joy, and that they will try again? Anything that we in the House can do to help the Home Secretary, we shall do. He has said that the new committee he will set up will draw information from the Army. I hope that this will be only on its knowledge of bomb disposal. When he goes wider on intelligence, will he make absolutely sure that it is the police who are in charge of all of it, because there is nothing the paramilitaries would like better than that they should drive us in a direction that weakens our democracy and our party conferences, because they do not believe in democracy?

Mr. Brittan: I can unhesitatingly endorse every word that the right hon. Gentleman has said, without qualification. The responsibility of the police is paramount. In regard to the Army and the security service serving as part of the group under Home Office chairmanship, I am referring to particular forms of expertise which can be drawn upon and then conveyed in the form of advice and co-ordination to the police, whose task is precisely what the right hon. Gentleman has said.

If I may say so, not only is it the task of the police operationally to deal with these matters, but the tripartite relationship of the Home Office, the police authority and the chief constable is underlined by what has occurred here, where the report is a report to the chief constable, its wider aspects are being canvassed in the House and its detailed application to Sussex will be a matter to be discussed between the chief constable and his authority, which is meeting tomorrow.

Mr. Eldon Griffiths (Bury St. Edmunds): Is not one of the clear lessons that the technology of terror is now developing more rapidly than the capability of the security forces to deal with it? In that context may I welcome what I have urged in the House several times—the fact that the very real experience of the Royal Ulster Constabulary is now to be more effectively used on this side of the water? I wish to ask my right hon. and learned Friend specific questions. What is to be the relationship of the TIGER committee, the committee for terrorist information gathering, evaluation and review, with the new working party that he is setting up? Will he give to the House an assurance that this new body will ensure that the collation and dissemination of counter-terrorist intelligence are more effective and that the sharing of the methods of dealing with terrorism will not be impeded by vicious and misleading attacks on the men and women of the special branch and the security service who risk their lives to protect us?

Mr. Brittan: On the last point, I certainly agree with my hon. Friend that the work of people in the special branch and the security service is of crucial importance in this area. It would be an absolute tragedy if what is said in the House or elsewhere were to undermine their morale or their work, which is necessary for the protection of the lives of us all.

In regard to the relationships to which my hon. Friend referred, I think that what he has in mind is the arrangement that I announced last October. The difference essentially between what I have announced today and what I announced last October is that last October we were talking about arrangements of an inter-departmental kind, within Government. Here one is talking about advice and co-ordination of information and techniques for the police service.

Mr. J. D. Concannon (Mansfield): Will the Home Secretary accept that the Opposition have a role to play? Knowing full well the delicacies of the security aspect —this is what my right hon. Friend the Member for Morley and Leeds, South (Mr. Rees) was trying to put over —I should like the Home Secretary to reflect upon his decision not to let my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman)—I say "my right hon. Friend" advisedly—have a full copy of the report, on Privy Councillor terms. I can assure him that on occasion this has been done in regard to other matters. It is a delicate report, but I do not think anyone has ever been let down when information has been made available on Privy Councillor terms.

Mr. Brittan: I am grateful to the right hon. Gentleman. I shall, of course, reflect on what he has said. There was a precedent for handling the matter as we have done. I assure the right hon. Gentleman—I hope the right hon.

[Mr. Brittan]

Member for Manchester, Gorton (Mr. Kaufman) will accept it as well—that it has not been done in any spirit of ill will or personal doubt.

Mr. Ivor Stanbrook (Orpington): Does not the report demonstrate the need for greater resources to be made available to the special branch of each police force? Is my right hon. and learned Friend satisfied with the co-ordination which exists between 43 different special branches?

Mr. Brittan: These matters are perhaps better considered in another context, but to the extent that they arise they will for these purposes be considered under the new arrangements that I have set out.

Mr. Robert Maclennan (Caithness and Sutherland): While one accepts the need for and appropriateness of establishing a new permanent working group, and the readiness of the Social Democratic party to participate in Sir Lawrence Byford's group, can the Secretary of State ensure, by publishing detailed terms of reference, that a new permanent group will not impinge upon the conduct of national policing policy or move us in any way towards a national police force as a response to this terrorist emergency?

Mr. Brittan: I am grateful to the hon. Gentleman for his indication, as one would expect, of the co-operation of his party with Sir Lawrence Byford's group, which we shall value and which, I am sure, will be of great benefit. I am happy to reinforce what I said in my statement; the new arrangements that I have set in hand are not meant in any way to lean towards the creation of a national police force. If the hon. Gentleman looks at the language, he will see that it has been most carefully chosen to avoid any such implication or trend.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have to have regard for the subsequent business. We have a standing order No. 10 application and also a ten-minute Bill, so I shall allow questions on this to go on until 4.30; then we must move on.

Mr. Anthony Nelson (Chichester): Will my right hon. and learned Friend confirm that the high regard and confidence placed in Mr. Roger Birch, the chief constable of Sussex, are in no way diminished by the contents of the report? Will he confirm that the inclusion of Roger Birch in the group of chief constables is a welcome reflection of this? Will he confirm that the proposed setting up of the group of chief constables in no way reflects a shift in responsibility for the policing of future political conferences from the chief constable of a county to another group?

Mr. Brittan: On the last point, that is certainly the case. The chief constable of Lancashire will have responsibility for the arrangements at Blackpool. I am sure that he will be assisted by the pooling of advice and expertise that the new arrangements will enable to exist and also by the co-operation of political parties in the House in working out arrangements that are desirable for events such as this in a way that would not be done on the basis of any one force area when conferences and other events move from place to place.

In regard to the Sussex police, one of the most striking features of the reaction since October is the absolute unanimity of Members of Parliament from Sussex in expressing their warm and loyal support for the Sussex police force, a support which I know from those who have spoken would not have been readily expressed if it were not a reflection of years of experience of the work of that force.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Will the Home Secretary recognise that, while one is pleased that police forces in Great Britain will benefit from the hard-earned and dearly bought experience of the Royal Ulster Constabulary, terrorism cannot be combated effectively if there is not whole-hearted support for our police forces?

When the Prevention of Terrorism Act is used to combat terrorism, will the right hon. and learned Gentleman ensure that the public are properly informed, notwithstanding the constraints that may exist at any particular time? Will he ensure that the public are informed of the reason and justification for the Act being invoked?

Mr. Brittan: I understand the hon. Gentleman's concern. It is often difficult to inform the public in specific terms of the exercise of powers that are contained in the Act. I welcome the opportunity once again to give the absolute assurance that I regard the powers as extremely undesirable in principle but sadly necessary in practice and to be exercised only with the greatest possible care by the incumbent of my office. I assure the hon. Gentleman and the country that it is in that sense and spirit that the powers are exercised. They will never be exercised for political purposes, contrary to some of the suggestions which have been bruited in recent months.

Mr. Kenneth Warren (Hastings and Rye): I welcome the words that my right hon. and learned Friend has spoken in praise of the Sussex police force. As a Sussex Member, I know of its efficiency and that of the chief constable. However, is he aware that I am deeply disturbed at the lack of understanding that all of us have, and clearly have had, about the standards of security that are necessary and the failure to search, as was required, during the course of the conference? I hope that the working group will not merely be a group of wise people which will say what should be done. I trust that my right hon. and learned Friend will willingly take on the task of ensuring that that which has to be done is enforced.

Mr. Brittan: I am grateful to my hon. Friend for his support. He will recognise that we are talking about something which is dependent on police ability, efficiency and confidence and on the readiness of individuals, organisations and parties to make the necessary changes, which will always be unwelcome. A balance will continue to have to be struck between the level of security and the ordinary workings of democracy. It is a matter of building up support for what is necessary and striking a proper balance, which may be a new one, and not merely that of the Home Secretary enforcing that which is required for security. It is for that reason that I attach the greatest importance to the co-operation of all the political parties in the Byford group, as well as the work of the new working group, in dealing with the other matters to which I have referred.

Mr. D. N. Campbell-Savours (Workington): What will the relationship be between the national reporting centre and the new permanent working group with its responsibility for bringing about

"successful co-ordination between police forces throughout Great Britain and also to ensure that they have available to them all relevant techniques and experience?"

How will the two organisations relate to each other?

Mr. Brittan: There is no connection between one and the other.

Mr. James Hill (Southampton, Test): Will my right hon. and learned Friend admit that one of the crucial areas of the police intervention at Brighton was when the occupants of the Grand Hotel were herded together on the promenade, where we were perfectly easy targets for any second intervention by the IRA? My wife and I were in room 301, two floors above the Prime Minister, so we know the trauma of the events. However, we were all herded together on the promenade for some hours. Should the police be informed that sometimes assassination cannot be prevented if many prominent people are herded together in one place at 1 o'clock, 3 o'clock, 4 o'clock or 5 o'clock in the morning?

Mr. Brittan: I take note of my hon. Friend's point and I am grateful to him for raising it.

Mr. Harry Ewing (Falkirk, East): Could I raise a different aspect that stems from the Home Secretary's statement? Although the statement relates to the Brighton bomb incident, and therefore Sussex, the consequences are important and there are major proposals which go far wider than Sussex.

Does the right hon. and learned Gentleman agree that the police forces that are responsible for major conference centres throughout Britain have an almost impossible task? New conference centres are being developed at Harrogate and Bournemouth, and the four towns of Harrogate, Bournemouth, Blackpool and Brighton are all holiday resorts. Has he considered the danger of the local authorities that are responsible for letting these centres for major party political conferences telling the political parties that their interference with security during the normal holiday trade is now so great and so intrusive that they will no longer take the party conferences? Are we moving towards a situation in which we might well have to bring the conferences to London, where there is security, rather than take them to what are basically holiday towns?

Mr. Brittan: I am grateful to the hon. Gentleman for drawing attention to an important aspect, but I am not sure that I have come to the conclusion that he has. I can assure him that it is the intention of Sir Lawrence Byford in the course of his work to discuss with representatives of the hotel industry, both generally and perhaps in relation to specific occasions, what they can do to assist. The same will apply to those responsible for the management of conference centres and other places that are used for such purposes. It may be that action can be taken across the board in the course of making general arrangements and not in expectation of a particular conference. Whether that is so and what that action could be are matters which Sir Lawrence will wish to consider with representatives of the hotel industry and those who manage conferences.

Mr. David Atkinson (Bournemouth, East): I represent a party conference town and I welcome what my right hon. and learned Friend has said. May I ask him to take the opportunity to clarify the law of treason as it relates to acts of terrorism, such as that which took place in Brighton, which are designed to eliminate a Government? Will those who are found responsible for the evil act at Brighton be subject to the law of treason? Does the law as it stands still carry the death penalty in those circumstances?

Mr. Brittan: The law of treason carries the death penalty, but it is for prosecuting authorities and not for the Government to decide whether charges should be brought in a particular case and, if so, what charges should be laid. My right hon. and learned Friend the Attorney-General exercises an independent judgment in these matters and it would not be appropriate for me to express a view on what offence has been committed or what charge should be brought in a particular case.

Mr. Tony Benn (Chesterfield): Is the Home Secretary aware that all intrusions into civil liberty are begun by arguments on grounds of security, and that any examination of the proposals, which my right hon. Friends have not been able to see in confidence, are bound to raise in the minds of many some doubts about what is in store? The right hon. and learned Gentleman speaks as if the risk of assassination is especially a matter for party conferences——

Mr. Brittan *indicated dissent.*

Mr. Benn: Well, the implication was that they bring special security requirements, but any Prime Minister, Minister, Member of Parliament, political leader or anyone else is exposed throughout the country all the time to the risk of attack as he does his job by speaking at public meetings. If the police are now to assume powers as great as those which have been suggested, that could have the effect of separating, on security grounds, those who exercise power or have responsibility from those to whom they are responsible. I hope that the right hon. and learned Gentleman will take these matters seriously. Many ideas have been produced in the abstract that have commanded support in the aftermath of an explosion, as with the Prevention of Terrorism Act, and they are seen afterwards to have very different purposes in their actual application.

Mr. Brittan: I agree with a great deal of what the right hon. Gentleman has said. I hope that I made it clear in my statement that I regard the proper balance between security and the exercise of our civil liberties as a precious one that should not lightly be altered. The report and its consideration relate specifically to conferences and comparable events which are comparable in scale. The right hon. Gentleman is right to say that security issues arise at events of a lesser scale that are attended by those who may be at risk of assassination. I would not disagree with that. But nothing to which I have referred indicates the slightest readiness to slide over civil liberties, which are as precious to those of us on this side of the House as they are to the right hon. Gentleman.

Mr. W. Benyon (Milton Keynes): If a large part of the United States Administration were staying in the same hotel, the hotel would be cleared exhaustively beforehand, and everybody would be searched throughout. Is this not the sort of price we have to pay if we want the party conference system to continue?

Mr. Brittan: That is exactly the sort of question we have to face up to.

Several Hon. Members *rose*——

Mr. Speaker: Very few hon. Members are standing. I will call those who have been standing if they will put their questions very briefly.

Mr. David Winnick (Walsall, North): The Provisional IRA is the enemy of both Irish and British democracy, and there is always the utmost condemnation of terrorism from all parts of the House. In view of the answer which the right hon. and learned Gentleman gave to the hon. Member for Bury St. Edmunds (Mr. Griffiths), is the Home Secretary suggesting that parliamentary concern about the special branch when the special branch is not involving itself with terrorism or any other offence is wrong? Would the right hon. and learned Gentleman not take this opportunity to state clearly that we should have a healthy interest in the activities of the special branch and that the present inquiry being conducted by the Select Committee is perfectly all right and justified?

Mr. Brittan: As to the inquiry by the Select Committee, I was not saying that it was all right or was not all right. It is a matter for the Select Committee and not a matter for me. I was merely saying that I thought that unfounded criticisms of the special branch were damaging to morale and were unjustified.

Mr. Robert Adley (Christchurch): The hon. Member for Falkirk, East (Mr. Ewing) mentioned four towns, one in Lancashire, one in Yorkshire, one in Sussex and one in Dorset. Will my right hon. and learned Friend take note that Dorset is a small county, with seven Members of Parliament, and that therefore the percentage burden of the 1986 Conservative party conference falling upon the Dorset constabulary is probably out of all proportion to that faced by any other county constabulary hitherto? Will he in very good time ensure that adequate funds are made available not just from my constituents but from central funds to enable the job to be done properly?

Mr. Brittan: I take note of what my hon. Friend has said, but I would not like to arouse any financial expectations.

Mr. Dennis Skinner (Bolsover): Will the Home Secretary tell the House how many police man hours of the Sussex constabulary, including the special branch, were used in the miners' strike in the weeks and months leading up to the incident at Brighton?

Will he also tell the working group that he is setting up that it is nothing short of hypocrisy for the Government to be talking about trying to get the matters that went wrong in October put right if at the same time the Government of which he is a member are prepared to continue the miners' dispute, will not agree to a settlement and therefore will use more and more police man hours in order to carry that through?

Mr. Brittan: I do not have information as to the number of man hours that the Sussex police force used in the miners' strike.

With regard to the other matters, I think it is extremely unlikely that I would wish to communicate that information to the working group.

Mr. Richard Alexander (Newark): May I express the hope that the informality and free mixing which characterises all party conferences will not be jeopardised as a result of the outcome of the findings of my right hon. and learned Friend and his colleagues and that under the Prevention of Terrorism Act bodily searches will not be a necessary feature for people who have to enter and leave the party conference?

Mr. Brittan: I appreciate my hon. Friend's views, but it is exactly the contrast between the desire to be spared that kind of experience on the one hand and the desire to ensure adequate security on the other to which my hon. Friend the Member for Milton Keynes (Mr. Benyon) gave vent. It is that balance that needs to be worked out, and plainly there is a lot to be done in doing so.

Mr. Richard Tracey (Surbiton): Further to the points raised by the hon. Member for Falkirk, East (Mr. Ewing) and my hon. Friend the Member for Milton Keynes (Mr. Benyon), does the report comment on the implications of modern day terrorist methods that make it practically impossible to guarantee the security of prominent people staying together in one place when the location of that place is known so far in advance?

Mr. Brittan: My hon. Friend is certainly right to point out the difficulties, and it is the details of terrorist matters of the kind to which my hon. Friend has alluded that make it inappropriate to publish the report.

Mr. David Maclean (Penrith and The Border): Will my right hon. and learned Friend be assured by me, as someone who spent all his life in security before entering the House, that I believe that the Hoddinott report is absolutely correct both in its conclusions and in its analysis, in that the level of policing given at the time was adequate in relation to the perceived threat and to the expectations of conference goers? Further, will he disregard the comments of the right hon. Member for Manchester, Gorton (Mr. Kaufman) that the report is inadequate and complacent, because I believe that the right hon. Gentleman is utterly off beam? Finally, would my right hon. and learned Friend ensure that adequate resources are given to the training of police officers, particularly in the provincial forces, to deal with the new terrorist threat that we face because of high technology in terrorist equipment?

Mr. Brittan: I am grateful to my hon. Friend for his assurance. I can certainly assure him that the training point will be taken on board.

Mr. Peter Bruinvels (Leicester, East): In welcoming the report, which seems most helpful, may I ask my right hon. and learned Friend to take note that we on this side certainly welcome the news that the party conferences will continue to take place? However, my concern remains that we should have the priority of searching not only the premises before the conference delegates attend but also the people each time that they go into the conference hotels. That should be the main concern, and the location of the hotel which is publicised. I wonder whether the report has examined the risk possibility of locating all senior Ministers or Opposition spokesmen in the same hotel, because this seems to lead us into a difficult situation on which the Northern Ireland police force obviously will be able to advise.

Mr. Brittan: Some of these questions are among the matters that have to be considered by the Byford group and on which the parties themselves will ultimately take a view.

Coal Industry Dispute

4.36 pm

Mr. Kevin Barron (Rother Valley): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the breakdown of talks between the National Coal Board and the National Union of Mineworkers yesterday and the involvement of Her Majesty's Government in the breakdown."

I do so for three reasons. First, it has become public knowledge in the past week that the National Union of Mineworkers has widened its negotiating team with regard to seeking a settlement and has been in a position to say that it is prepared to meet for talks without any preconditions as to what will take place at those talks.

Secondly, it is obvious to any observer in the past two months that there are also people in the National Coal Board—and it is a very different National Coal Board from 12 months ago—who are seeking talks to resolve the present mining dispute.

Thirdly, it has become apparent to everybody in the country in the last 24 hours from the briefings that have gone on in the press room at Downing street—although the Prime Minister has tried to deny those briefings in the Chamber this afternoon — that, indeed, the Prime Minister does not want these meetings to take place. It is no coincidence that most of today's national newspapers carry the same front page story—that Margaret Thatcher is stopping the negotiations that are going on to try to settle the mining dispute. [HON. MEMBERS: "So what?"] Conservative Members say, "So what?" When the dispute is over and work starts again, one person less will be working in my constituency—the person who was found dead on Saturday afternoon after being bullied while coal picking on a coal waste tip in my constituency. If Conservative Members want to discuss what is happening in the coal dispute, I suggest that they, too, should make an application under Standing Order No. 10. They can then get on their feet and debate the cost of the strike and how it is affecting the country at present.

It is a question not just of the economic effect of between £90 million and £100 million per week being used in a crude attempt to defeat the NUM, but of the hardship suffered by communities in my constituency and many others who have been fighting for the past 10 months not out of self-interest, but for their dignity and right to work. *[Interruption.]* It is a great pity that Conservative Members who constantly interrupt make no attempt to listen to what has been said in the Yorkshire coalfield and in many other coalfields in the past 10 months.

Mr. Eric S. Heffer (Liverpool, Walton): On a point of order, Mr. Speaker. Could you ask the well-heeled rabble on the Conservative Benches to remain silent while my hon. Friend the Member for Rother Valley (Mr. Barron) is speaking? *[Interruption.]*

Mr. Speaker: Order. There was a certain amount of interruption earlier, but not at this particular moment. I am listening very carefully anyway. *[Interruption.]* Order.

Mr. Barron: If Conservative Members feel so strongly about the coal dispute, they, too, should apply for time to debate it.

In constituencies such as mine, where thousands of people—the vast majority—are still on strike, after 11 months in some areas, the suffering involved justifies debate. As an individual Member of Parliament, I feel very strongly about the denial of Government time to debate an issue affecting so many of my constituents.

I therefore ask you, Mr. Speaker, to grant the debate for which I have asked in place of the business set down for today because I and many others feel very strongly that the Government should answer for what is now openly going on in relation to the dispute between the National Coal Board and the National Union of Mineworkers.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing an urgent and important matter, namely,

"the breakdown of talks between the National Coal Board and the National Union of Mineworkers yesterday and the involvement of Her Majesty's Government in the breakdown."

I must say to the hon. Gentleman that I am in no doubt that at an appropriate moment, and when it will be helpful to the settlement of the dispute, we should have a debate on this matter; but, as he knows, my only duty in considering applications under Standing Order No. 10 is to decide whether the matter should be given priority over the business set down for this evening or tomorrow. I regret that I do not find that the matter that he has raised meets all the criteria laid down in that Standing Order, and I cannot, therefore, submit his application to the House.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker.

Mr. Tony Benn (Chesterfield): On a point of order, Mr. Speaker.

Mr. Speaker: I shall take Mr. Benn's point of order first.

Mr. Benn: I am not challenging what you, Mr. Speaker, have said in respect of the application made by my hon. Friend the Member for Rother Valley (Mr. Barron), but I rise to ask for your help in two respects.

Following the earlier dicussion on these points, I consulted the Library about the practice of previous Speakers in industrial disputes. I have today obtained the following information, which is, of course, available to any Member.

During the period that became known as the winter of discontent, there were debates under Standing Order No. 9—now Standing Order No. 10—on 22 January and 5 February 1979. In addition, there were private notice questions on 25 and 31 January and 1 February 1979. In other words, there were two emergency debates and three private notice questions within a period of two weeks. The Labour party was in government at that time, and the then Speaker allowed the Opposition to bring those matters urgently to the attention of the House under those procedures. I have not referred to any other type of debate.

My second point, Mr. Speaker, stems from your ruling today that it is not proper for a Member of Parliament to refer in the House or on the radio to the fact that a private notice question has been tabled. As you well know, I tried for one on Monday in relation to the rail strike. You, Mr. Speaker, did not allow it, so I did not raise it, and I appreciate that one cannot question your ruling on a private notice question. I had, however, told a mass of people that I intended to try to get a question on the rail strike. When they asked where the question was, I replied, "Mr. Speaker disallowed it." I ask you to consider this

[Mr. Benn]

very important point, Mr. Speaker. Are you seriously saying that Members of Parliament who try to use that mechanism of the House and fail are not allowed to tell anyone that they even tried?

Two further considerations arise. [HON. MEMBERS: "Oh, no."] These are very important matters which may affect any Member at any time. In the absence of debate in the House of Commons you, Mr. Speaker, know what happens. Tomorrow the House of Lords, which is not elected, will be discussing matters, including the miners' strike, on television. In the absence of parliamentary debate, Mr. Bernard Ingham tells Lobby correspondents every morning what the Prime Minister wants them to know. The reports are then published anonymously, and the Lobby correspondents do not even admit that they go to No. 10.

I submit most respectfully, Mr. Speaker, that there is at this moment and on this issue a question concerning the defence of the rights of constituents — we merely represent other people—and our ability to bring urgently to the notice of Parliament the real hardship being suffered by good people, which is not allowed to be discussed on the Floor of the House.

Mr. Speaker: On private notice questions, there is a long-standing convention that applications which are disallowed are not mentioned in the House. That would equally go for not mentioning them on the radio.

With regard to the granting of debates under Standing Order No. 10, the right hon. Gentleman should read the Standing Order carefully as I am limited by what is set down in it. The right hon. Gentleman is surely not suggesting that I should be wholly responsible for what is debated in the House. That is the implication of his question. There exist the usual channels through which debates and the time of the House are discussed. That is a matter for people other than myself. I am responsible for ensuring fairness in the calling of Members who rise to ask questions and the protection of Back Benchers. I do not deny that the right hon. Gentleman has a right to put the interests of his constituents, but that is exactly what we did at Prime Minister's Questions today.

Several Hon. Members *rose——*

Mr. Benn: Further to that specific point, Mr. Speaker. Would you please clarify the situation for Members in my position? I put down a private notice question and I told people that I intended to do so. When they asked why it had not appeared, I told them that it had been disallowed. I mentioned that fact on the radio when I was asked why I did not use the normal mechanisms of the House. That is a specific question which arises from Monday. Are you, Mr. Speaker, now saying—it is important that this is made clear—that I am in breach of your ruling if I tell anyone that I intend to table a private notice question or that the intended question has been disallowed? That is distinct from not questioning the matter on the Floor of the House. No one is arguing about that because we all know the position in that respect. If it is now to be a breach of your ruling to tell anyone what one is trying to do and why it has not worked, that is a substantial expansion.

Mr. Speaker: It has always been so. *[Interruption.]* I am merely following what has happened in the past.

With regard to private notice questions, I am bound to take into account other opportunities that the right hon. Member for Chesterfield (Mr. Benn) or any other Member may have to raise matters in the House.

Mr. Skinner: On a point of order, Mr. Speaker. When you gave your ruling on the Standing Order No. 10 application made by my hon. Friend the Member for Rother Valley (Mr. Barron), you used what could loosely be termed code language in saying that you would not accept the application this time and referring to an "appropriate" time. Between you and me, Mr. Speaker, I should like to wheedle a more simplistic answer from you as to what you really mean. Are you saying that if we persist in this matter we may eventually make it, or that if an Opposition Front Bench spokesman made the application it might be granted? We need to know because we want to fire a few more shots from the locker. If it is possible that we may obtain the debate through these other methods, so be it. We shall not make a fuss about that. Could you, Mr. Speaker, tell us precisely what you meant when you talked about an "appropriate" time? We should like to know.

Mr. Speaker: The hon. Member should not read too much into codes. I have followed strictly what is said in Standing Order No. 10, which states:

> "In determining whether a matter is urgent Mr. Speaker shall have regard to the probability of the matter being brought before the House in time by other means."

In my preamble, I said that I hoped that at the appropriate time there would be a debate on this matter. The Speaker would be put in an insolerable position if he had to decide every day what should be discussed. That is a matter for the usual channels.

Mr. Jeremy Corbyn (Islington, North): Further to the point of order, Mr. Speaker. Without wishing to challenge what you said earlier, I ask you to consider the number of hon. Members who, during the past 10 months, have made Standing Order No. 10 applications to debate the miners' dispute because of the grave disquiet outside the House.

I believe that you, Mr. Speaker, should consider an important point of democracy. If the Front Benchers do not wish to debate this critical matter but the Back Benchers do, it is important that you, Mr. Speaker, should protect the rights of those Back Benchers by agreeing to a debate, so that the issues of the appalling hardship in the coalfields, the waste of public money and the deterioration of civil liberties because of the Government's actions during the dispute are aired in this place. That would enable a full, open and free debate to take place and we would not have these coded attempts to suffocate debate in the media and in the House of Commons.

Mr. Speaker: I think the hon. Member's memory is at fault, because some time ago I granted a Standing Order No. 10 debate on this very subject. I hope, therefore, that the hon. Member is not accusing me of not taking these matters too seriously. I believe that this is a serious matter, which should be debated at the appropriate moment. I think that the whole House would wish to debate this matter at a moment when such a debate would be helpful rather than unhelpful.

STATUTORY INSTRUMENTS, &c.

Ordered.

That the draft Public Lending Right (Increase of Limit) Order 1985 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Archie Hamilton.]*

Official Secrets Act (Amendment)

4.52 pm

Mr. Chris Smith (Islington, South and Finsbury): I beg to move,

That leave be given to bring in a Bill to repeal section 2 of the Official Secrets Act 1911; and for connected purposes.

For many years, there have been strong and telling criticisms of section 2 of the Official Secrets Act 1911. Lord Scarman, in his recent Guildhall lecture, said that it should go. Twelve years ago, the Franks committee described it as "a mess". Shortly before that, Mr. Justice Caulfield, in his summing-up at the conclusion of the *Sunday Telegraph* case, remarked to the jury that they might well feel it was time for the Act to be "pensioned off". Only a few years ago, the Home Secretary told the House that the section was "simply indefensible". They were absolutely right in condemning section 2 of the Act then, and they would still be right now.

I am impelled to place this issue before the House today because one of my constituents faces prosecution next week under section 2. Following earlier discussions this afternoon, I cannot, of course, comment directly on the Clive Ponting case because of the sub judice rules of the House. It is sad that we are prevented by those rules from questioning further the issue of the case and the way in which it is to be handled. However, I must accept your ruling, Mr. Speaker.

I must make a number of extremely important general points. We should remember the circumstances in which the 1911 Act reached the statute book. It passed through all its stages in the House of Commons, including Committee, in about 45 minutes. It was presented to the House as a minor amendment to legislation. The Attorney-General of the day said:

"There is nothing novel in the principle of the Bill".—[*Official Report*, 18 August 1911; Vol. 29, c. 2252.]

The Under-Secretary of State for War told the House that the actual change in the law was "slight". They were wrong. Section 2 embodied a major change in the law which fundamentally affected, and still affects, the liberties of those citizens who work in the Civil Service and the ability of all of us to know what they are doing. The rushed manner in which the Bill became law reflected no credit on any of those who allowed it to happen, although I am pleased to note that the 10 hon. Members who voted against the measure on Report in 1911 included Keir Hardie and his Labour colleagues.

Section 2 was not mentioned at any stage during the Bill's passage. It is a catch-all section, covering potentially any piece of paper that ever crosses a civil servant's desk, any discussion held or action taken and any establishment owned or run by the Government. It is clearly absurd to have such a broad sweep of prohibition against contact with the public, with criminal prosecution and potential imprisonment facing civil servants where ordinary disciplinary procedures under codes of employment would be appropriate, if any action at all were needed.

I am not arguing that national security should not be protected in law. It should, and the provisions of section 1 of the Act—which purports to deal with spying—should be tightened up to ensure that that is achieved. Section 2 is not needed for the protection of genuine

[Mr. Chris Smith]

national security matters. It can, in fact, be used by Governments of any political persuasion for purposes that may well run counter to the national interest.

The danger that is inherent in section 2 is not so much that its use—which is subject to the Attorney-General's decision — might be over completely trivial matters, although it remains an absurdity to have a law that does cover so much trivia. The danger is that Governments—again, this applies to all Governments, of whatever party —may use this section of the Act for political purposes that have no connection with the protection of national security. For example, they may wish to avoid embarrassment over the actions of particular Ministers. They may wish to clamp down on leaks that are politically but not nationally damaging. They may wish to obtain warrants for the search of pressure group premises. This section of the Act permits them to do so, and it should not.

It is worth noting in this connection that there has been a worrying resurgence in recent months in the use or threatened use of section 2 of the Act. Sarah Tisdall has not been alone in feeling its brunt. From 1916 to 1982 there had been only 38 prosecutions under the section. Parliament should be concerned when such a discredited piece of law is wheeled out so vigorously again.

Finally, and perhaps most importantly, repeal of section 2 is a prerequisite for the necessary task of opening up the processes of government to wider public scrutiny and knowledge. There is far too much secrecy in government in this country. Before freedom of information can ever become a reality, this particular piece of legislation must go.

We are a democracy. It is surely right that the public —the voters—who supposedly hold the ultimate power over all of us should know to the fullest possible extent what is going on in government on their behalf—the facts, the options being considered, the decisions taken.

It is with that aim in mind that I urge the House to take this first but necessary step along the road to greater openness in government, greater access to knowledge for the citizen and greater liberty for us all.

Question put and agreed to.

Bill ordered to be brought in by Mr. Chris Smith, Mr. Jonathan Aitken, Mr. Andrew F. Bennett, Mr. Alex Carlile, Mr. Tam Dalyell, Mr. Alf Dubs, Mr. Michael Foot, Ms Harriet Harman, Mr. Robert Maclennan, Mr. Matthew Parris, Mr. Merlyn Rees and Ms Jo Richardson.

Official Secrets Act (Amendment)

Mr. Chris Smith accordingly presented a Bill to repeal section 2 of the Official Secrets Act 1911; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon Friday 26 April and to be printed. [Bill 61.]

SUPPLEMENTARY ESTIMATES

Class II, Vote 10

European Communities Budget

[Relevant document: Treasury and Civil Service Committee Third Report, House of Commons Paper 158, Session 1984-85.]

5 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): I beg to move,

That a supplementary sum, not exceeding £119,218,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1985 for expenditure by the Treasury in connection with payments to the Budget of the European Communities not covered by direct charges on the Consolidated Fund under section 2(3) of the European Communities Act 1972, as set out in House of Commons Paper No. 145.

The Supplementary Estimate before the House today relates to a payment of £119 million in respect of the supplementary budget for the European Community for 1984. This finance was arranged through an intergovernmental agreement between the member states of the Community last October because supplementary finance could not be provided last year as the Community had reached the ceiling under the VAT 1 per cent. own resources limit. The payment for the United Kingdom is 201 million ecus — the sterling equivalent is £119 million—in the form of an advance on own resources to the EEC and payable in eight half-yearly instalments from June 1986.

Some interest has been expressed in the form in which this payment is being brought before the House for consideration and approval. Last year, the Government introduced an order under section 1 of the European Communities Act 1972 to designate the intergovernmental agreement as a treaty ancillary to the European treaty. That subject was of some interest to various Select Committees of the House and an application was made to the courts about the order. The decision of the High Court and the Court of Appeal vindicated comprehensively the Government's contention that this was a lawful and appropriate means of dealing with the matter.

The proposal now before the House under the Supplementary Estimate procedure is in respect of payment following the intergovernmental agreement of 1985. In the context of the agreement, there is reference to a payment to the Community in 1984 and for the avoidance of doubt the Government decided that it would be appropriate to use the Supplementary Estimate procedure now that we are in 1985.

Mr. Eric Forth (Mid-Worcestershire): Can my hon. Friend confirm that this procedure will not be repeated under the auspices of the so-called new budget discipline measures that we might expect in the future and that this will be absolutely the last time that any such measure will come before the House?

Mr. Stewart: I should like to think that supplementary budgets for the European Community would not be a thing of the future, but that would be too optimistic. I shall have more to say about that later.

Dr. Oonagh McDonald (Thurrock): Does that mean that the Minister has no faith in the budgetary discipline which the Prime Minister achieved and which she has been proclaiming so loudly as the real budgetary discipline that she set out to achieve? Are not the Minister's comments an implicit criticism of the Prime Minister's achievement?

Mr. Stewart: No, my remarks were certainly not that. They were a recognition of the realities of agriculture expenditure, which cannot be precisely predicted at the beginning of any one year. Any hon. Member who suggests that it is possible to predict exactly what agricultural production totals will be, what the weather will be in each of the 10 member states at the beginning of the year, and who claims that there will never be any circumstances that would require the Community to have a supplementary budget is not living in a realistic world.

Mr. Tony Marlow (Northampton, North): I rise on a slightly different point, which is also very important. Will my hon. Friend tell the House whether it is outside the competence of Her Majesty's Government to prevent further supplementary budgets?

Mr. Stewart: If the Government agree to a supplementary budget for which finance is available under the normal procedures of the Community, we would expect that to be brought forward. If special finance is required, as it was in 1984, and because normal procedures for that are not available, it requires the agreement of the Government. I shall deal with the points about budget discipline later.

The need for the supplementary finance derives from the fact that there has been an overrun of expenditure in 1984. It would have caused considerable disruption of markets if it had not been possible to finance the unavoidable expenditure in 1984 through agricultural and other policies.

Mr. Nell Hamilton (Tatton): As my hon. Friend is doubtless aware, article 199 of the treaty states that all items of revenue and expenditure of the Community should be included in the Estimates drawn up at one point in the year. It further provides that the revenues and expenditure shown in the budget should be in balance. As the treaty can be amended only in accordance with article 236 — a procedure that, in this instance, we have resolved not to adopt — can my hon. Friend tell me whether, if we agree to what the Government are proposing, we would be conniving in an illegality? Why is it that an illegal budget for Liverpool city council is something that we should revile but, for the European Community, is something that we should endorse?

Mr. Stewart: After my hon. Friend's legal tour de force of the Community's business, I can tell him that the funds about which we are deliberating today are to be provided by agreement between the individual member states and not through the Community's own mechanisms. That is an important difference.

Mr. Nicholas Budgen (Wolverhampton, South-West) *rose*——

Mr. Stewart: I shall not give way. It would be much better if I tried to explain some of the points rather than allow hon. Members to object to them in advance.

Mrs. Elaine Kellett-Bowman (Lancaster) *rose*——

Mr. Stewart: I give way to my hon. Friend.

Hon. Members: Sexist.

Mrs. Kellett-Bowman: Before my hon. Friend was interrupted by a number of hon. Members, he said that the measure was to deal with agriculture and other policies. Will he confirm that if the measure is not passed today there could be a considerable hold-up in the payments of regional and social fund to this country?

Mr. Stewart: I can confirm that. The level of cash balances of the Community for 1984 is now very low. If the payments are not made in the very near future, the United Kingdom recipients under the fund would not receive their money.

Mr. Budgen: My hon. Friend used the expression "unavoidable expenditure". If the Agriculture Ministers had set the price structure at a lower level, all the expenditure would have been avoidable.

Mr. Stewart: As is so often the case, I warmly agree with my hon. Friend. Had the correct decision about pricing been taken in 1983 and 1984, I have no doubt that it would have been possible to avoid the overrun.

The figure in the intergovernmental agreement is very much below that which was originally set by the Commission of 2,300 million ecus. We had that reduced to 2,000 million ecus by June, in the July Budget Council it was reduced to 1,350 million ecus and at the September Budget Council meeting to 1,003 million ecus. I believe that that is the absolute practical minimum with which the Community could discharge the commitments flowing from its policy in respect of the 1984 Budget.

During the negotiations in the Budget Council, not only was I seeking to get the lowest possible figure for the supplementary finance; I wanted to ensure three other important United Kingdom objectives. First, I wanted to make it clear that we would not consider making payments until refunds for 1983 had been received by this country. Secondly, I made it clear that measures necessary to guarantee the principles of budgetary discipline should be adopted by the Community and, thirdly, that supplementary finance should be decided by the Parliament of the United Kingdom and not by the Community or the European Parliament.

In the context of the intergovernmental agreement, specific reference was made to the refunds for 1983. At the time that this was drawn up they had not been released. However, they were released soon afterwards, in October. They bring the total of refunds that this Government have negotiated to over £2,500 million since 1980, compared with the figure of zero that was negotiated under the financial mechanism adopted by the Opposition.

I was also able to obtain a commitment from the Ministers of other countries in the Budget Council that, whatever decisions were taken about the mechanism for dealing with the Community's financial decisions in 1985, they would commit themselves to implementing in 1985 the Fontainebleau agreement on the 1,000 million ecu abatement for 1984 to the United Kingdom. If the Fontainebleau proposals are approved by the national parliaments, we in this country will qualify for an automatic abatement of our future contributions. Therefore, instead of having to negotiate with great difficulty and with much acrimony and dispute about obtaining refunds from our net contributions in the future, we should be entitled to deduct automatically a part that

[Mr. Stewart]

represented two thirds of the equivalent of our VAT share in the previous year. That seems to me to be a major advantage of the new proposals.

The next point that I wanted to be included in the intergovernmental agreement was budget discipline. We insisted that we should not bring this matter before the House of Commons until budget discipline had been agreed by the Community. That was finally ratified in December by the European Council at Dublin. It sets a guideline for agriculture expenditure that is due to grow at a rate below the increase in the own resources base. Some of my hon. Friends have suggested that this can be very easily overturned by qualified majorities. The position is that the Commission's price proposals could be overturned only if there were unanimity in the Council. Since the Commission has given an undertaking that it will submit its proposals in line with the need to keep to the agricultural guidelines, unanimity would be required to go beyond that.

To elaborate upon what I said about future supplementary budgets——

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): These are very fine, pious words and the EEC only runs on pious words, but if there is to be no mandatory sanction and if this will have to depend upon good will, which has not existed so far, and upon the good will of people who have broken their word to this country after we have paid up time after time, why should we now be satisfied that the past will not go forward into the future, as seems so obvious to all of us?

Mr. Stewart: The conclusions of the Council are binding upon it and they are embodied in the budgetary procedure of the Community. The overall reference framework for the agriculture guidelines has been agreed by all member states and it has been ratified by the European Council. It was one of the major items left over from the Fontainebleau agreement.

Mr. Forth *rose*——

Mr. Stewart: May I finish my reply in response to the previous intervention? I shall then give way to my hon. Friend. The idea of budget discipline was first initiated two or three years ago by this country. During that time we have been able to persuade fellow member states that the problem is more serious than they had recognised, that special measures needed to be taken to deal with it and that specific measures of this kind ought to be taken. It was a major achievement by this country. As I said to the Select Committee, budgetary discipline is not just a British "wheeze". It has now been accepted by all member states as being essential if the finances of the Community are to be orderly in the future.

Mr. Forth: My hon. Friend has mentioned the reference framework. Would he confirm that the budget discipline document contains a provision whereby the framework can be altered by a majority vote? Does not this undermine the validity of the framework upon which my hon. Friend lays great stress? Could my hon. Friend also tell me what would happen under the terms of the budget discipline document if there were to be, for example, three consecutive years of exceptional harvest whereby the clawback which is supposed to be allowed for in the budget discipline document could not occur?

Mr. Stewart: As for overspend, I have no doubt that the Commission would have to take increasingly stringent action on price-fixing year after year. That would be the inevitable consequence of the proposals my hon. Friend has mentioned. On the reference framework, it is the component parts of the expenditure that matter. The non-obligatory expenditure is controlled by the maximum rate. That is a fixed formula. The obligatory expenditure under the agriculture policy would be limited by the guideline. Not to have the normal means of adjusting the reference framework if there were changes in the two component parts would be impracticable. However, the component parts are controlled. Control over the agriculture guideline would permit both this year and next year increases of about 5 or 6 per cent. per annum. That has to be compared with an increase in agriculture expenditure of the order of 20 per cent. or more in the last two years. This will represent a very tight constraint, particularly given the fact that already there are very high intervention stocks in the Community which will need to be financed in the coming years.

Mr. Teddy Taylor (Southend, East): How can the Minister possiby talk about restraint when he knows that under the agreement the Commission will be fixing prices on the basis of actual spending in 1984 and 1985, which were years of enormous surplus, and that it will then add something on top? How does the Minister expect me to go back to Southend and tell the prudent council there that if, through unfortunate or aberrant circumstances, it exceeds its spending it will be controlled and eventually ratecapped, but that, despite the normally excessive spending of the EEC, it will apparently be allowed to exceed its spending by means of a Supplementary Estimate?

Mr. Stewart: What I hope my hon. Friend will tell the burgers of Southend, although I am not entirely confident that he will do so, is that it is impossible to determine in advance any form of agricultural support. If there were a national form of deficiency payments, there would be an element of variability according to the outcome during the year in question. It seems to me that the farmers who live around Southend would be able to explain this matter to my hon. Friend, even if his constituents do not understand it. It is because I, the Government and my hon. Friend are concerned that Community expenditure in the past has been so much out of control that we have been very anxious to put in place a system that will apply control to Community expenditure in the future.

Mr. Marlow: As my hon. Friend said so rightly, this matter can be controlled if prices are controlled. My hon. Friend said that the Commission has undertaken to come forward with low increases in farm prices. What will be the position if the Council does not agree with the Commission? Has the Commission given an undertaking that it will not raise those prices?

Mr. Stewart: The Council would have to be unanimous in overturning the Commission's proposals. An important part of the budget discipline arrangements is that Finance Ministers as well as Agriculture Ministers will be involved in any dispute involving decisions of that kind. That will be an important factor in obtaining an improved procedure.

Finally, I said that I thought it was right that this matter should come to Westminster for a decision rather than that

it should be decided in Brussels and Strasbourg. The Commission originally proposed that this money should be made available by means of a loan under article 235. That would have involved scrutiny by the European Parliament but no scrutiny by the United Kingdom Parliament. It seemed to the Government that this was not a proper procedure. Therefore, we insisted, and I was able to have this included in the text of the undertaking, that the United Kingdom and certain other member states would require the parliamentary approval of their own Parliaments before such a payment could be made.

This is an agreement of member states; it is not an instruction from the Commission or the Community. We have undertaken to provide finance, provided that Parliament approves it today, because we believe that it is necessary. The difficulty has arisen because of lack of budget discipline in the past. Significant progress has been made in reforming the financial arrangements of the Community during the past year. To deny payment of our contribution today, apart from amounting to a rejection of an undertaking made with other European countries, would only add to the problems of the Community at a time when it has at last been committed to the major financial improvements that Britain has been seeking. The Government's aim is not to disrupt the Community's finances but to reform them. The agreement is part of that process. Accordingly, I hope that the House will give its approval today.

5.20 pm

Dr. Oonagh McDonald (Thurrock): In his opening remarks the Economic Secretary explained the reason for the Government now requesting Parliament's approval for the payment of £119 million into the Community's fund for the shortfall in the 1984 budget under the Supplementary Estimates procedure. He did not explain why the Government originally considered laying an order under the European Communities Act 1972 and then changed their mind, in spite of having been successful in the courts and having their views upheld at least as far as the Court of Appeal, and switched back to the Supplementary Estimates procedure. It would be useful if the Minister would explain why that change was made.

One reason that was mentioned to the Treasury and Civil Service Select Committee, the evidence and report of which we were grateful to have in time for the debate——

Mr. Neil Hamilton: Otherwise the hon. Lady would not have known what to say.

Dr. McDonald: There is plenty of other material.

Mr. Ian Stewart: The hon. Lady mentioned the Treasury and Civil Service Select Committee. I was about to pay my own compliments to the Chairman and members of that Committee for the speed and efficiency with which they have produced their report when one of my hon. Friends sought to intervene and I regret that I omitted to do so. In that report the hon. Lady will find that I gave extensive evidence about the procedural matters that she has raised.

Dr. McDonald: We are not at all surprised that that Freudian slip by the Minister occurred in respect of the Treasury and Civil Service Select Committee's report. I do not think that the reason why the first procedure was chosen and then the change made was dealt with, except with reference to the question of speed, when the Minister rightly pointed out that most of the other member countries had paid the additional contribution. Indeed, all of them have paid, except for Belgium and Luxembourg, which are due to pay this week, and, if Parliament agrees tonight, the British contribution will be paid.

What will be left out is the Italian contribution, which is the second largest. It would be interesting to know what has happened to that. We should bear in mind recent press reports about what is happening to Community money.

Mr. Budgen: What about the poor official from the Court of Auditors who had his legs broken?

Dr. McDonald: I was particularly sorry to notice that it was an Irishman to whom that happened.

In reply to one of his hon. Friends, the Minister referred to the payments which would be made out of this amount under the social, industry, energy, and, not surprisingly, agriculture funds. The extra amount for the social fund is tiny. Under the heading of "Industry and Energy", £32 million additional money is going to the Community. A proportion of that £32 million will be spent on administration, technical operating expenditure and certain contractual obligations. However, the Minister has failed to tell us how much out of that additional £32 million payment to various members of the Community will come to Britain. Do we benefit at all under the heading of "Industry and Energy" payments from the £119 million, plus the contributions from other members of the Community?

The largest part of the supplementary budget will, not surprisingly, go on agriculture. Certain questions were raised in the Treasury and Civil Service Select Committee's report about the reimbursable advance, and it did not receive a clear reply. The difference between that and a loan was not made clear, but the most important point relates to the repayments that are due to commence in June 1986.

What guarantee do we have that those repayments will be made so far ahead? The Minister gave us no guarantee at all that we would get back, possibly in June 1986 onwards, some of that reimbursable advance. We shall get some of that money back. Yet, even in June 1986 and the years thereafter, we shall be giving more money to the Community that we get back from our reimbursable advance. The Minister gave us no reason for optimism on budgetary discipline that the Community would not ask for another reimbursable advance in the years to come. We have had no assurances that that reimbursable advance will be repaid in future.

The main reason for the overrun is, once again, agricultural spending. The Minister has already admitted that in the evidence that he gave. He said that the bulk of the overrun was the result of changes in the markets, the volume of production and the price at which it can be sold. Much of it related to livestock, and a smaller proportion related to Mediterranean products. That was the main reason for the EC's overspend in 1984.

When one begins to look at other sources, one finds additional reasons. For example, the Eurostat statistics for the first and second quarters of 1984 show that producer prices continued to rise at a faster rate than farm costs. Those are the latest available statistics. Therefore, prices were ahead of farm costs by more than 3 per cent. That means an average increase of almost 4 per cent. in real

[Dr. McDonald]

incomes for the farming sector of the Community. That happened despite the smaller than traditional price increases in 1984, the limitations on dairy production and the not necessarily favourable outturn for part of the livestock and crop sectors.

The favourable cereal harvest helped to boost average farm incomes. That meant that agriculture was one of the few major sectors of industry in the Community to show an increase in income, when reduced output, incomes and redundancy hit almost every other major industry. We know that the money has gone where it usually goes—to boost farm prices and farm incomes.

Mr. Phillip Oppenheim (Amber Valley) *rose*——

Dr. McDonald: I shall not give way. We have a limited time for the debate.

Mr. Teddy Taylor: On a point of order, Mr. Deputy Speaker. Will you advise the House whether the debate is limited?

Mr. Deputy Speaker (Sir Paul Dean): The debate can continue until 10 o'clock. I am not saying that it will, but it can.

Dr. McDonald: Nevertheless, I wish to continue with my remarks. The money has gone to maintain farm incomes at a better level than those in other areas of industry.

Other reasons for the cost overrun were successfully tabulated in the Court of Auditors' report for 1983. There is no reason to suppose that what occurred in 1983 did not recur in 1984 and will not recur in future. First, the cost of storage of surplus farm produce continues to be an extremely expensive item in the Community's budget, yet it is not properly itemised or budgeted for in any of the Community's accounts. Secondly, the cost of storage will continue to rise in 1984, and there is no reason to suppose that it will come under control.

The Court of Auditors' report for 1983 estimated that £7 billion disappeared from the accounts of the Common Market. These nitty-gritty questions are omitted from the general statement on budgetary discipline and the generalised efforts which are allegedly to be made in future to control the continuing rise in farm prices. The lack of financial control at that level will be a reason in future just as it has been in the past for the failure to curb the recurring overspend on agriculture in particular and on the Community as a whole.

Mr. Marlow: The hon. Lady has made many important points, and she has made them well. We are debating the future of £120 million of public money. I know that the Opposition are as concerned about public money as we are, but can she send a Whip to whip round the Tea Room to see whether he can get more than two Opposition Back-Bench Members to attend this important debate?

Dr. McDonald: I suppose that I must thank the hon. Gentleman for his kind initial remarks and omit any reference to his additional remarks.

Not only is there a lack of financial control, which should have been the concern of the Council of Ministers when it worked on the agreement, but there is corruption, to which many hon. Members will refer. It has been nicely covered recently, in both *The Times* and *The Guardian* of 17 January, to the effect that the Mafia is extracting millions of pounds from the European Community. That claim is made by Italian members of the European Parliament. I am interested to see that they are prepared to make such comments.

That could mean that our additional payment of £119 million will not be devoted to useful purposes, despite the Minister's claim for its necessity to make up standing payments to agriculture, industry, energy and, to a limited extent, the social fund. In fact, these millions of pounds will disappear in an entirely corrupt manner.

Surely the Government should have been more seriously concerned about the level of accounting before they accepted the generalised agreement on budgetary discipline and regarded it as a sufficient basis for making this additional payment.

Mr. Teddy Taylor: The hon. Lady has obviously studied the budget papers with far more care than the majority of hon. Members present. She has explained how substantial sums have gone from this and other countries to pay the Mafia for destroying non-existent tomatoes or for the produce of non-existent farms. In her studies, has she found anything in the new proposals on budgetary discipline which would stop the Mafia from continuing to get millions of pounds for the destruction of millions of tonnes of non-existent tomatoes?

Dr. McDonald: I presume that the truth of the press reports must be validated. We need a full examination of them. My point is that the agreement on budgetary discipline is extremely general. The detailed matters of accounting procedure and so on, which were discussed in the Court of Auditors' report, obviously were not discussed as part of the agreement. Apart from the faults in the general agreement on budgetary discipline, unless the Commission gets better accounting procedures, money will continue to disappear not only at the hands of the Mafia, but in other ways. Certain activities of the Commission—for example, the storing of food and the losses from selling stored stock — are not properly presented in the Commission's accounts. The Court of Auditors' evidence on the matter is extremely important. Unless those matters are also dealt with, we shall continue to face problems of Community finance. I agree entirely with the hon. Gentleman's point.

Mr. Budgen: Is there not another problem, in that the EC has a Court of Auditors to comment somewhat from afar upon the way in which policy is carried out? If an individual nation state connives in or fails to investigate fraud within its borders, no supervisory body from the EC can force the conniving or ignoring nation state to deal with that fraud.

Dr. McDonald: I agree with the hon. Gentleman. There are two different problems, with one of which the Commission can deal to some extent. If some member states refuse to co-operate and plan to delay payment of the milk levy, the Commission has recourse to the European Court. I agree that connivance in fraud and lack of proper supervision in member states can account for the disappearance of money. We cannot talk about controlling Community expenditure unless we are prepared to examine it properly at every level. From the report of the Court of Auditors, it would appear that it is about time that Ministers turned their attention to this matter, not only in

their national Parliaments but in the Council of Ministers, so that something can be done to obtain much more stringent control of Community spending.

Mr. James Hill (Southampton, Test): Is it not true that the Court of Auditors, which was appointed only a short time ago, presents reports only after the event and that it is up to the national Governments to act on those reports? The Commission is not obliged to take any action.

Dr. McDonald: That is exactly what I was saying. The reports should be considered not only by national Governments, but by the Council of Ministers. I am sorry if the hon. Gentleman's attention wandered while I was trying to make that point.

This payment will be made from the Consolidated Fund and it is a Supplementary Estimate to that. The Minister did not tell us whether the additional money would come from the contingency reserve or whether it is additional public spending. If it is the latter, presumably it will squeeze out other public expenditure. We wish to know under which heading it falls. If it is additional public spending, what will be squeezed out?

The Minister said that the Government are justified in introducing the Supplementary Estimate because they have reached an agreement on budgetary discipline. However, his opening remarks highlighted the lack of budgetary discipline. He said that he hoped that it would not be necessary in future to make requests for such additional payments to the EC. However, he said that one could not be sure of that in relation to agriculture because of changes in the weather and in production. He should have added that we cannot be sure because the payments made by the Community under the heading of agriculture spending are demand-led. There can be no budgetary discipline until the common agricultural policy is reformed.

Hon. Members on both sides of the House have made that point repeatedly. Apart from the weaknesses in the wording of the agreement, we cannot achieve the budgetary discipline that the Government wish us to believe has been achieved in the 1984 negotiations without the fundamental reform of agricultural spending. It is bound to overrun the estimates, and it will cause us endless trouble in the years to come, just as it has in the past. Nothing has been achieved to end the trouble.

The Government have abandoned their original commitment to reform the CAP. They changed the terminology for their aims in the Community to talking about budgetary discipline and financial control. They are whistling in the wind if they believe that that has been achieved by any agreement. Other Ministers in the Community believe that it has not been achieved. Mr. Genscher, the German Foreign Minister, called it the budget of indiscipline. The French Agriculture Minister consoled the 2 million French farmers by telling them that they had nothing to worry about and that they would continue to receive money through the CAP.

The agreement is faulty because it creates many loopholes. It was not built into Community legislation, as the Prime Minister wished. The right hon. Lady would have preferred financial regulations, but she failed to get agreement for that from the other nine countries. This agreement represents conclusions which are binding on the Council but which are full of escape clauses. The agreement can be suspended in exceptional circumstances, and its corrective mechanism can be set aside in the event of aberrant developments. There is no hope of budget discipline. Fundamental reform of the CAP has not been achieved, and the Government long ago abandoned that aim. The agreement is full of loopholes, and there is no attempt to impose stringent financial control on the Community at the level which the report of the Court of Auditors made abundantly clear is vital if spending is to be controlled.

For those reasons, we are opposed to spending another £119 million of our money on the Community simply to boost farm incomes yet again.

5.47 pm

Mr. Terence Higgins (Worthing): I shall make three initial points in the broad context of the Common Market. I believe profoundly that our membership of the Common Market has great political and economic advantages, and I have no doubt that those who take that view are right to support it. But it is essential that those who take that view should make it clear that if the Community is travelling on completely wrong lines, or if necessary reforms are not being carried out, we have a duty to speak out and to say that it is happening. I am surprised that many of those who have been enthusiastic supporters of the Common Market are not present for this debate to make some of the points that must be made.

It has long been the case that there is a basic inconsistency between the economic philosophy underlying the main part of the Common Market and that underlying the common agricultural policy. Until now, the price that we have had to pay for the overall benefits has been the disadvantages of the CAP. But now that limits on Community finance are finally coming into operation, we have an opportunity to reform the CAP. That is why it is important to consider carefully the financial position and the negotiations that have taken place.

My second point, again in the broad context, relates to the control of public expenditure. In recent days in the House we have had several debates among those who advocate tax cuts as a means of alleviating unemployment and those who advocate more expenditure on the infrastructure. It would be extremely silly if that debate were conducted in terms of black and white.

We must appraise whether a tax cut or item of public expenditure has merit. To divide it in this simple-minded way, however, is not a fruitful method of considering the matter. The Government's overall policy of seeking to control public expenditure effectively is important, especially if we are to get the economy right and deal with the problem of unemployment.

We are being asked to spend another £120 million, and that sum must be appraised against other possible claims on public expenditure. We have had passionate debates recently, for example about student grants. In that case, a cut has been made of £120,000 a year in the provision for adult education. Yet we are talking today of £120 million a year. We have also had passionate debates on overseas aid, broadcasting by Britain to overseas areas and capital payments by local authorities for housing.

The proposal before us seems inconsistent with the Chancellor's overall objective of reining back expenditure. It is clear from the evidence we took in Committee upstairs that this proposal has not been considered in

[Mr. Terence Higgins]

relation to the other items of public expenditure to which I have referred, some of which, compared with the sum we are now debating, are absolute candle ends.

We see from the face of the Estimate that it is not cash-limited. Why have we not adopted the same stringent approach in this case as we have in other areas that are cash-limited? Let us remember that we are not dealing with an obligation under the Community treaty as part of own resources. This is being paid over and above the limit on own resources to bail the Community out of a situation into which it has got itself. We did not get it into that situation, one which may be implicit in the mechanisms which need reforming. It is essential, therefore, that we put this in the overall context of public expenditure.

Mr. Russell Johnston (Inverness, Nairn and Lochaber): The right hon. Gentleman is being simplistic over this in the way in which he is criticising others for being so. It is not simply a question of saying that the Community has got us into this mess and that we have had no responsibility for it. We had a great deal of responsibility because we also failed to rein in agricultural production and persuade others to do likewise. It is not long since the Minister of Agriculture, Fisheries and Food was asking dairy farmers to produce, produce, produce.

Mr. Higgins: I am interested to hear that statement of Liberal agricultural policy, which will be noted in farming constituencies.

The Treasury Select Committee has done a useful job in informing the House about the situation. There would not, under our previous procedures, have been any way in which the House could have understood the position as clearly as it can in the light of the evidence which we took on the Fontainbleau agreement, from the provision for budgetary discipline which was published with our autumn statement and report or from the evidence that we have had in recent days. The present system of Select Committee scrutiny is vital, and I pay tribute to the staff of the Committee, and the clerk in particular, because we have been under tremendous pressure of time.

The Government proposed originally to proceed under section 1(3) of the European Communities Act 1972. They went to the Statutory Instruments Committee on the issue and fought the matter through the High Court and Court of Appeal. Suddenly they threw the whole engine into reverse and decided to do it not by that means but by way of an Estimate. It is arguable whether they should not have done it by that means in the first place.

They said that they wanted to take it through the courts to establish the legal position over the so-called intergovernmental agreement. Why did the Government not go on to seek a clear judicial interpretation in the Lords on that point? We are now left with the matter rather like the smile on the Cheshire cat's face after the cat has gone. We need to know the legal obligation for the Estimate that we are being asked to approve.

The Minister has referred all the way through to the intergovernmental agreement, but that argument was adduced when the Government proposed to use the other procedure. The legal obligation from the point of view of the Estimate is not clear, though one cannot help but note that it says on the face of it that it is being done

"under the sole authority . . . of the Supplementary Estimate and the confirming Appropriation Act."

I hope that the Minister will make it clear whether this is being done under the intergovernmental agreement. The House is entitled to an answer to that straightforward question. If it is a straight Estimate, is additional public expenditure, is not cash-limited and if we have no legal obligation, that information is relevant to our deciding whether this money should be spent.

We are talking here of £120 million. On 17 January we were told in answer to a written parliamentary question that another £99 million would be advanced out of the Contingencies Fund and that it would eventually be clawed back under the Consolidated Fund, a procedure used by the Government on several previous occasions. That may have been an appropriate, if debatable, procedure on those previous occasions.

I am not clear why we should be paying that other £99 million out of the ontingencies Fund with a proposal to claw it back under the Consolidated Fund when we have a perfectly good occasion—today—to do it by way of an ordinary Estimate, plus a perfectly good occasion—under the Consolidated Fund Bill tomorrow—to deal with it, and why the two have been separated instead of being taken together.

We were told clearly by the Prime Minister some months ago that it was not right for the EEC to raise loans for budgetary purposes. However, we are suddenly being told, "We propose to make instead a reimbursable advance." As a semantic joke, this is an interesting way of going about it. But in terms of substance—despite the efforts of the Parliamentary Secretary to the Treasury, in evidence to the Committee upstairs, to differentiate the two — we in the Committee do not see any real difference. It is contrary to the spirit, and perhaps to the letter, of the treaty that we should advance this money and then claw it back.

In answering questions about that, an official of the Department said that under an arrangement made in 1980 there was provision for the Community to receive other revenue, and he referred to its ability to receive gifts or bequests. Apparently this Estimate comes into the category of gifts or bequests, and hon. Members may wish to bear that in mind when deciding whether to approve it.

However, it is being categorised as "other revenue". I have difficulty over that because it has always seemed to me important to distinguish between loans and revenue. If it is revenue, one has it; if it is a loan, one must give it back. How is it, therefore, that we should be making a reimbursable advance under a provision which allows the Community to receive revenue? The mind boggles. The matter is very worrying, and I hope that my hon. Friend will give us some answer today.

The truth is that the arrangement has been a matter of pure political expediency. By next weekend I understand that the Community will be literally out of money. We must therefore ask whether budgetary discipline, which we were told was to be a hard and fast condition, is to be effective.

Mr. Hugh Dykes (Harrow, East): My right hon. Friend speaks with authority, and we listen with great interest to what he says. However, although my right hon. Friend has talked about the dangers of taking a simplistic view and of seeing things in black and white, I fear that he is in danger of being carried away. The combined aggregate deficits of all the member states amount to well over £100 billion, and we are still talking about temporary

arrangements for a Community budget that is virtuous in that its receipts normally equal its payments, and it has no deficit at all.

Mr. Higgins: I wish that we could see the matter in terms of black and white. The trouble is that we are in the middle of a greyish fog. The entire picture is being befogged by semantic and other devices.

That is certainly so in the case of budgetary discipline. We were told that we would not hand over the money without effective provisions for budgetary discipline. Yet we are now told that such provisions are not to be incorporated, as I believe that my right hon. Friend the Prime Minister would have wished, in the major formal mechanism of the Community. We are also told that we are not to have an effective veto in the case of the reference framework. More particularly, we are told that the system is to work on a basis of clawback. If there is to be effective discipline on the basis of clawback running several years ahead, that is a very strange arrangement.

We all know that the real problem is that, because of the way in which the common agricultural policy operates, it is not possible to forecast what the commitment will be. One could deal with that problem simply by providing so much headroom so that at no conceivable prices would we run out of money. That might be appropriate. However, the reality is that we ought to be able, within reasonable limits, to predict the cost. That means that we must change the CAP itself, and that is something that, clearly, the budgetary discipline procedure is not capable of doing, and will not be capable of doing.

There must be a reform in that area, and the opportunity for that reform arises when the Community runs out of money. It has now done so. We are in danger of missing our opportunity. Before we consider the question of increasing own resources, we must ensure that we do not have a system of budgetary discipline of the kind that is now said to be acceptable. It may be said to be acceptable but, for all the reasons already given, it will not be effective. If the Community itself is to make real progress and to be of benefit to all its members, we must carry out a real reform.

We are told that agricultural expenditure will not rise faster than the general increase in expenditure. I have heard no case whatsoever made for any increase at all in agricultural expenditure. We know perfectly well that there are obscene surpluses in many agricultural products, and that they are getting steadily worse. Instead of accepting that the rise will be no steeper, we should simply have said that there must be no increase in agricultural expenditure. There is no case for such an increase, especially against the background of the Chancellor's stringent budgetary attitude to the overall management of our own economy.

I therefore believe that the present situation is very dangerous. However, our final opportunity for dealing with the matter has not yet been lost. The proposals for an increase in own resources are still to come forward. We should not accept them unless there are reforms such as I have suggested.

6.5 pm

Mr. J. Enoch Powell (South Down): It is difficult to know whether this day's doings are more discreditable to the Government or to the Opposition. There is a period in politics which is peculiarly dangerous to the maintenance of the rights and powers of the House. We are at present in such a period. The Opposition are divided, discouraged and discredited, their attention is fixed upon matters and problems outside the House, they are not able to give their full attention to duties in the House of Commons.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Will the right hon. Gentleman give way?

Mr. Powell: I will give way at this stage, if I must. However, as I shall have much more to say about the Opposition later on, the hon. Gentleman might find it more economical to wait.

Mr. Foulkes: I am sure that the right hon. Gentleman will have much more to say about the Opposition. However, my hon. Friend the Member for Thurrock (Dr. McDonald) and I, as the official spokesmen for the Opposition, have heard and will hear every word in the debate. It is our responsibility to speak for the Opposition in this debate, and we will discharge that responsibility. [HON. MEMBERS: "Where are the others?"]

Mr. Powell: I do not deny that it so happens for once that the Front Bench is manned. Clearly it is somewhat sparsely manned; but the hon. Gentleman is right to say that it is manned. But there is no need for the Opposition to be over-sensitive. I have more to say, and the Opposition spokesmen can then share the honours with the two juniors on the Government Front Bench.

The Government, in such a period as this, present a combination of two dangers. They have a large majority in the House, which enables them to feel that, with the assistance of the Whips, they can put anything through. They have also got themselves into a jam with their programme for the Session, so are terrified of being unable to find the necessary parliamentary time for the things to which they are committed. That combination provides the ideal circumstances for such inroads on the rights of the House as are represented by the manner in which this business is brought before us.

The object of the Opposition today — their one achievement, which was snatched from them—had been to connive with the Government to restrict the time that the House could spend — even under the present arrangements—in discussing the matter. How undesirable that would have been is evident already from the speech which we have been able to have the advantage of hearing from the right hon. Member for Worthing (Mr. Higgins).

The Government's object has been equally clear, and equally adverse to the power and rights of the House. Their aim has been at all costs to avoid any risk of having to legislate. At all costs they wish to withhold from the House the supreme method by which, when asked for money, it examines in detail the reasons why the money is requested, the manner in which it is to be used and the conditions under which it is called for.

A shoddy story lies behind today's proceedings. The Government began by claiming that they could deal with the matter by an Order in Council under section 1(3) of the infamous European Communities Act 1972. Thanks to the public spirit of a private citizen, that proposition was tested both in the High Court and in the Court of Appeal, and the Government expressed themselves satisifed with the result. However, they did not proceed in that way, after

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all. They told the Treasury and Civil Service Select Committee the reason why: the reason why they did not proceed was

"for the avoidance of doubt".

So in the mind of the Government there was still a doubt whether, if they proceeded by Order in Council, that might be found defective when it was again tested—as it could be—in the courts not under a prerogative writ but as an order which purported to have already been duly passed by both Houses. What would have been the difficulty for the Government, what embarrassment would they have faced, if that doubt had proved well founded? They would not have lost the opportunity of making the payment, they would not have been prevented from making the payment, by discovering that the order was ultra vires and not within the terms of section 1(3) of the 1972 Act. No, they were afraid that they would have to legislate. It would have been necessary for them, if they could not make an order under section 1(3), to resort to primary legislation, and primary legislation—the opportunity for the House to consider in legislative form what was being asked of it—was what the Government were determined not to face. They therefore resorted to a method which they reckoned would as effectively as possible abort debate by the House: they proceeded by putting the sum in a special Estimate and then having a Consolidated Fund Bill to give it statutory approval.

That procedure has been considered in the past by the House and its Committees. It is a procedure to which the House, for obvious reasons, has been steadily hostile. The outcome of those historic occasions is summed up in page 791 of "Erskine May" by the statement:

"the Treasury, in answer to such comments, have justified the practice on grounds of emergency rather than of principle."

I had, I must admit, assumed when I was preparing these remarks that, in laying the Estimate before the House, the Minister would at least have had the courtesy of referring to this breach of the normal procedure required by the House — this disregard of the House's objections to proceeding by way of Estimate — and would have explained whether this is indeed an emergency. "Emergency", as it is used in that passage of "Erskine May", does not, however, mean that the money is needed in a hurry to meet circumstances long foreseen. It means a genuine emergency which can only be met by a payment made there and then and which could not have been foreseen. It was only in such circumstances as those that the House agreed with the Treasury that money may legally be granted by means of an Estimate followed by a Consolidated Fund Bill. The net result has been to deprive the House of the opportunity of proceeding by way of legislation.

This is a matter on which the Government are on record in the present Session. I can quote the Government against themselves. It is not long since we passed the Second Reading of the Milk (Cessation of Production) Bill — quite an interesting parallel case to what is before the House today. The Minister, in introducing the Bill on Second Reading, said:

"it was clearly right that specific statutory authority should be obtained as soon as an opportunity in the legislative programme could be found. I made it clear at an early stage that I would seek this authority as soon as possible." — [*Official Report*, 10 January 1985; Vol. 70, c. 917.]

That was authority which, in the terms of what the Government are doing today, was not necessary, for there was already an Estimate covered by a Consolidated Fund Act which covered the payments being made by the Ministry of Agriculture, Fisheries and Food. Nevertheless, speaking for the Government, the Minister enunciated the correct principle — that as soon as possible in such a case, statutory authority must be secured.

We must consider the Minister of Agriculture, Fisheries and Food lucky to get a Bill which put him right with the House. The House was able duly to give statutory authority to the payments being made. The method the Government have adopted today is designed to prevent any such thing — to prevent the House from being able to consider, in terms of a Bill, the justification for what is being asked of it.

This is something which cannot be defended or just brushed down by today's brief debate. Indeed, in any Parliament—I am now coming back to the Opposition—in which an effective Opposition was functioning, the Opposition would have used the powers which Oppositions have to see that, on the Government Front Bench, was the Chancellor of the Exchequer himself accompanied, if necessary, by the Prime Minister, nothing less, to try to justify to the House the insult which is offered it by the deliberate choice of this method of avoiding legislation.

The thing is even worse than that. It is not isolated or insulated, not just one payment in isolation for which authority is being sought in an improper way so that we might shrug it off and forget as it recedes into the past. The Government's agreement to make what the right hon. Member for Worthing (Mr. Higgins) said must be either a gift or a bequest under the rules of the Community — their agreement with other Governments to steamroller Parliament into authorising this payment — was not an agreement made in isolation. The agreement was part of a package, in another part of which the Government consented in principle to an increase in the Community's own resources.

So one element in that package is being fulfilled without the opportunity of the whole package and its justification being properly explained and debated in the House. We shall be told, and our partners in the Community would be justified in telling us, "Well, you have accepted the package, for you implemented the first element in it by making this special payment, whatever it be — loan, bequest or gift." We shall yet see the Government coming back to the House and reminding us that we have already entered the process of implementing the Fontainebleau agreement. So by the hem of the garment, a kind of presumptive acceptance by this House of that agreement has been secured by these anti-parliamentary means.

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): The right hon. Gentleman is uncharacteristically incorrect. The Government agreed to recommend an intergovernmental agreement of the type that is before the House on condition that two factors are satisfied. The first was that the British refund was paid—it has been—and the second was that there were satisfactory arrangements for budgetary discipline. The right hon. Gentleman will be aware that the Government asked the House for its approval of what had been agreed on in regard to budgetary discipline in a

debate on 11 December 1984. At the end of that debate, the House unanimously endorsed the Government's motion.

Mr. Powell: The Minister is evidently under the impression that what is called unanimous endorsement in the course of that type of debate is a substitute for parliamentary authority to what is necessary as a consequence of the agreement of which the budgetary directive is a part. That budgetary agreement, on which there was no Division, is integrally connected with an agreement in principle, given by the Government on behalf of this country, to up the own resources of the Community. Now the ne plus ultra, the line which, from the beginning of our entry into the Community, was advertised to the House and to the public, who were told, "It is quite all right, it is only 1 per cent. worth to which you are committed," was that if ever — and it was extremely unlikely — the Community were to dare to propose that the percentage should be increased to 1·2 per cent. or 1·4 per cent. or 1·8 per cent. — the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnson) thinks of 2 per cent.—it would be necessary to legislate once again. We were told, all through those weary months, that, if that happened, the whole issue would have to be reopened; there would have to be proper legislation in full form to authorise any such change.

Mr. Forth: Does the right hon. Gentleman's memory conform with mine in this matter? Have we been given an undertaking that the request for an increase in the Community resources will be brought to the House only when the enlargement negotiations have been concluded, and that therefore there is another contingent factor? We are being asked to agree that the enlargement of the Community to include Spain and Portugal will also require an increase in the Community resources, and these two are being linked by the Government.

Mr. Powell: There is almost no limit to what can be extorted by what I might call the package principle, on which the European Community operates.

This afternoon, we shall need from the Government the clearest possible assurance that there will be no question of section 1(3) being used to increase the own resources of the Community, and that, notwithstanding the wrong that has been done in the payment of this sum of £119 million, there will be full legislation to authorise any such change. This resolution could be drawn by the Government into a precedent by which we could be cheated out of our right to full legislative opportunity whenever that proposition is made to us, to debate where we stand, where the Community is going, and whether the House and the nation are in agreement with what is involved.

It is fortunate that the cosy agreement that had been made between the two sides of the House—always a sign that somebody will be cheated out of something—was aborted by the presence of mind of one or two private Members, so that we are in a position, if we find it necessary and desirable—that is a matter for the House to decide — to debate this, under our rules, until 10 o'clock. At any rate, a protest has been entered against the wrong that has been done to the House.

6.21 pm

Mr. Michael Knowles (Nottingham, East): My position is analogous to that of my right hon. Friend the Member for Worthing (Mr. Higgins) in that I am one of those who have always supported our membership of the Community and would wish it to be developed. However, like him, I feel that there is a duty on people who hold that position to be most critical when they see things that are wrong. That is true of agricultural funding in the Community. Any demand-led expenditure is, by its very nature, open-ended, as we all know. If we do not have a cash limit, and expenditure is demand-led, we are asking for large bills, and that is what we have. If we do not close that loophole, we shall constantly have to find fresh resources for agriculture. Sooner or later we must deal with that problem. I would like to think that at Fontainebleau we have achieved budgetary discipline, but like other hon. Members I am a little sceptical. I shall wait and see, because we have heard it before.

Other hon. Members have asked why the Government wished to present this matter to the House in this form. I shall concentrate on an earlier point. Why have we arrived here through an intergovernmental agreement rather than working through European institutions? That question highlights the problems that we have in the Community. National Governments wish to keep power to themselves, so we have cramped and limited those institutions, and we have not allowed them to develop properly. We then promptly shriek that they are not working effectively, although it is we who have crippled them. It is not surprising that they do not work effectively.

Some hon. Members have spoken about fraud going on, perhaps with official connivance, in some Community countries. The logical solution is that the Community should have its own investigative sources to deal with such problems, but I can imagine what the same hon. Members would say if such a proposal came before the House. They would be the first to object. I can write the *Daily Express* headline now.

This Supplementary Estimate is separate from the increase in VAT, but it derives from the same settlement at Fontainebleau. At Fontainebleau, the Government had three conditions, and we have forgotten how crucial they seemed at the time. The first was the release of the 1983 refunds. One can remember the arguments in the House about those refunds and how important they seemed. Those refunds have now been released. The second condition was effective arrangements on budgetary discipline. We now have arrangements, although I confess I am a little dubious about them. However, the Government are satisfied. The third condition was parliamentary approval, which is what today's debate is about.

One thing that might aid budgetary discipline in the new financial situation is that West Germany and France will become payers. When just one of the larger members was a net payer into the Community, we were fighting a lonely battle. The odds have tilted slightly now. Once it becomes in someone's interest to retain financial discipline, he has more interest in doing so.

Although I am trying to be helpful to the Government, I am not sure whether my next point will be so. I am in favour of it, but I know that hon. Members on both sides of the House may disagree with it. It is that an implicit part of the Fontainebleau agreement was that what was expected was political delivery from this country. We had stopped haggling about finance, which we had been doing for years, thereby preventing talk about political

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development in the Community. Our partners in the Community will now expect us to deliver. As the Prime Minister said about the Fontainebleau agreement:

"It will make possible a relaunching of the Community in which Britain will play a full role".

I am in favour of that, but, judging by what has been said in the debate, I am not sure whether some of my hon. Friends will be.

The Stuttgart agreement was even more explicit about European union, and statements were made during the recent visit to Chancellor Kohl. Now, the rest of the Community wants closer co-operation and unification. We promised it, we keep on signing the bits of paper, and sooner or later we shall have to deliver, and I think that will be this year.

Mr. Eric Deakins (Walthamstow): Under what authority did the Government pledge this country to greater unity, particularly political unity, beyond what is already implied in the European Communities Act 1972?

Mr. Knowles: The European Communities treaty says nothing beyond what is in it and that is the authority. The words of the preamble say:

"to lay the foundations of an ever-closer union among the peoples of Europe".

It speaks not of the Governments but of the peoples of Europe. All that has been said has reinforced what we signed 12 or 13 years ago. This year, our partners will ask us to start delivering politically.

Mr. Dykes: Does my hon. Friend agree that in the document submitted by Her Majesty's Government to the Fontainebleau meeting there was an emphatic commitment — reiterated more than once — to the vital need for greater majority voting in more areas on more subjects?

Mr. Knowles: My hon. Friend is correct. My point to the Government is that that pressure will come on us. Rather than just sitting still and objecting to other people's initiatives when they come, could we change our stance? This year, could the Government bring forward their own initiatives and tell us what their vision of Europe is? They might find that they have many friends, not only in the House and in the country but across Europe.

Several Hon. Members *rose*——

Mr. Speaker: Mrs. Ann Clwyd.

Mr. Beaumont-Dark: On a point of order, Mr. Speaker. Some hon. Members have been sitting here all afternoon. The hon. Member for Cynon Valley (Mrs. Clwyd) has only just come into the Chamber. Is that the abuse that is to go on?

Mr. Speaker: Order. The hon. Lady was in the Chamber when I arrived. She had told me by letter that she wished to take part in the debate. I had not realised that she had just come in, but I have called her.

6.29 pm

Mrs. Ann Clwyd (Cynon Valley): That is not true, Mr. Speaker. If the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) had looked earlier, he might have seen me here for a considerable part of the opening of the debate.

The European Community budget is not large. In 1984 the total budget was about one eighth of the national budget of this country. Of this relatively small budget about two thirds go on agricultural policy, as my hon. Friends have made clear. A third of what is left goes on the regional and social funds. Even allowing for administrative expenses, one might expect a good proportion of what remains to be devoted to the development of new European Community policies, particularly in the vital areas of technology, research and energy. This is far from being the case. In 1984 it accounted for only 2·56 per cent. of the budget. In the draft budget for 1985 the percentage is slightly higher at 2·59.

As my hon. Friend the Member for Thurrock (Dr. McDonald) questioned, rightly, how much of this part of the budget will actually come to us? There is a greater discrepancy between Community spending on technology, research and energy and its spending on agriculture. Vital as the common agricultural policy may be, it is worrying to note that, for example, the payment appropriation in the 1985 draft budget for ESPRIT is little more than one fifth of that for production aid for tomato-based products ——

Mr. Phillip Oppenheim *rose*——

Mrs. Clwyd: —yet ESPRIT has been hailed by national Governments and Community institutions alike as a key element in the Community's fight to become competitive in new information technology. The energy appropriations, therefore, do not reflect the true needs of Community energy policy as laid down in numerous resolutions of the European Parliament. In particular, they do not reflect the need for a constructive and balanced solid fuels policy.

This argument has been made again and again by my former colleagues in the European Parliament, in the Rinsche report, prepared following a resolution presented by myself to the European Parliament on the imminent threat of closure of British coal mines, in the Rogalla report on financial support for industries producing solid fuel, in the Quin opinion on the same subject and in the opinion voiced by Gordon Adam as budget rapporteur for the energy committee. Since we are talking about the estimates, it is important that we argue that Community money and our money should be spent in the most sensible and appropriate ways.

Mr. Oppenheim: The hon. Lady has stated that it is ludicrous that so much Community money should be spent on agriculture and such a small proportion on other items such as information technology. Is it surprising if the majority of EC spending is on agriculture when that is the only really international EC policy? Almost all other items, such as regional aid, information technology support and industry support are covered by national budgets. If the hon. Lady considers the British budget for industrial support, information technology and other such matters, it outspends agriculture by a factor of about 3:1.

Mrs. Clwyd: The hon. Gentleman is obviously not aware of how the budget works, otherwise he would know that national Governments still spend money on agriculture.

Mr. Oppenheim: A very small proportion.

Mrs. Clwyd: The Rogalla report sets out clearly the failure of the Community to translate firm declarations for a strengthened solid fuel industry into practical measures.

For this failure the Council of Ministers is clearly responsible. Unless present EC policies are changed, the coal industries of member countries face continued decline and eventual eradication.

Community strategy to reduce dependence on imported oil has been relatively effective but at the same time the Community has become dangerously dependent on imported coal. The international coal report of January 1985, published by the *Financial Times*, shows that, according to Trade and Industry Department statistics, United Kingdom imports in the first 11 months of 1984 were running at more than double 1983 levels. By the end of November 10·1 million tonnes had been imported at a price of £59·46 per tonne whereas comparable British coal could have been produced for between £44 and £57 per tonne. Similarly, anthracite, which is being imported at £112 per tonne, can be bought on the British market for between £44 and £70 per tonne.

Two features paramount in the increase in imports have been substantial imports of house coal from all sources, and substantial imports of industrial coal, largely from the United States and South Africa. Many people believe that the new business will not cease when the strike ends. By contrast, in an effort to protect markets in videos and computers, the ESPRIT programme has been established. The same approach is needed in the Community to defend our coal markets.

The only current policy of the Community is to close pits. This is particularly important to us when we are talking about our money, which goes into the budget. The Commission argues that a sudden substantial drop in Community coal production would lead to a major rise in world selling prices. At the same time it argues that there must be investment in new production. There is a serious weakness in the Commission's documents. It is not fully realised that there is considerable potential to develop new mines which would be fully competitive with imported coal at current prices.

There are no technical reasons why an additional capacity of 120,000 tonnes per year could not be brought into production, given the will to invest. The investment cannot be carried out in five minutes. We should argue for this investment here and now. If we get the necessary investment in energy it would allow for a period of transition and protection for pits under threat of closure. The social implications and the implications for regional economies must be taken into account. *[Interruption.]* Financial aid for coal stocks should be provided in the transition period.

Secure markets are needed for the coal to be produced. The opportunity for commitment was present during the 1984 budget procedure. I suggest to those Conservative Members who have been arguing that this has nothing to do with the subject under discussion that they listen more closely. It must be noted that the Council failed miserably to take up the challenge. The report by Albert and Ball on European economic recovery, which was initiated by the colleagues of some Conservative Back Benchers, argued that employment and economic recovery in Europe depend heavily on investment in the energy section.

A recent opinion on the regulations concerning financial support by the Community for industries producing solid fuel argued against some Commission proposals. The Commission has put forward an amended set of proposals on investment in energy and the eligibility criteria have been tightened rather than made more flexible. The Community level of investment potentially qualifying for support has been reduced from 1,520 million ecu to 1,200 million ecu and the total proposed Community funding for investment support has been reduced from 300 million ecu to 200 million ecu. In addition, the Commission has dropped its original proposal of aid for the running down of coal stocks "in view of the need for tighter budgetary discipline." If only the same rules applied to the CAP.

The Commission states that production in Community coal-producing countries has fallen from 241 million tonnes in 1982 to 229 million tonnes in 1983, with a further reduction of 9 million tonnes likely in 1984 even without the effects of the coal strike in the United Kingdom. The Commission's conclusion is that the Community coal industry continues to have great difficulty in financing essential investment. It is unfortunate to say the least that the Commission's latest proposals will make it more difficult to finance needed investment than the Commission's original proposals.

The Commission is maintaining its simplistic threshold figures and it has actually increased them so as to make fewer investments eligible for support. The Commission has taken a narrow view of the value of Community investment in the coal industry, and has taken insufficient account of the importance of such investment for the coal mining regions of Europe where, typically, unemployment is high and alternative employment possibilities are low.

To link investment to levels of output per man shift is nonsense.

Mr. Higgins *rose*——

Mrs. Clwyd: I shall not give way now. I shall do so when I have completed this argument.

To link investment to levels of output per man shift is nonsense. As we have been arguing in South Wales for years, there is a direct correlation between the investment that a pit receives and its capacity to produce coal. No investment means inevitably decreasing productivity. There is a classic "Catch 22" situation—a declining spiral of low investment and low productivity—and that is exactly the position in which south Wales finds itself. The Commission's recommendations would deny south Wales investment and pile still more into the productive power station coal producers, which would succeed only in making that market even more vulnerable to glut. What co-ordination exists between the Commission's strategy and that of the National Coal Board and the Government? Is the case for increased investment being urged in the corridors of the EEC?

A fourth group of academics and accountants have now challenged the accounting reports of the NCB and the board has appointed independent accountants to assess its accounting techniques. Arguments about the economic viability of individual pits are at the core of the coal dispute, yet the fundamental accounting information that is used in public debate appears to be suspect. The question that the most recent group of academics has posed —the group includes a Price Waterhouse professor of accounting at Manchester—is the difficulty of achieving informed public debate——

Mr. Forth: On a point of order, Mr. Speaker. I am reluctant to raise this matter but I am driven to do so. I am trying hard to relate the remarks of the hon. Member for Cynon Valley (Mrs. Clwyd) to the debate. I am wondering

[Mr. Forth]

whether she is trying to use the debate as a way of securing a discussion of the coal industry and the dispute through the back door. Will you please advise the hon. Lady whether she is in order, Mr. Speaker?

Mr. J. Enoch Powell: Further to that point of order, Mr. Speaker. Is it not the case that we are having an Estimates debate on supplementary finance to the budget of the European Communities? Is it not in accordance with our normal procedure when debating Estimates that an hon. Member can refer to any matter that falls within the budget?

Mr. Nigel Spearing (Newham, South): Further to the point of order, Mr. Speaker. May I draw to your attention and that of the House, including the hon. Member for Mid-Worcestershire (Mr. Forth), the written answer to one of my questions which appeared on 10 January? It states that the Supplementary Estimates before us include an extra 134 million ecu for "Industry, Energy etc". Is not energy policy and expenditure on our indigenous coal resources well within the scope of the debate?

Mr. Speaker: I am obliged to the right hon. Member for South Down (Mr. Powell) and the hon. Member for Newham, South (Mr. Spearing) for their help. They are entirely correct and the hon. Lady is not out of order.

Mrs. Clwyd: Thank you very much, Mr. Deputy Speaker. If Conservative Members had waited a little longer, they would have managed to associate my remarks with the Estimates.

If we are to convince our colleagues in the European Community that they must increase the share of the budget to be spent on energy policy, we must set up as soon as possible an independent review body as proposed by the churches in Wales and supported by the NUM nationally, Labour Members, Liberals and Plaid Cymru Members. The sooner that is discussed the sooner we can get back to talking rationally with our EEC partners about a common energy policy. There is the realisation that both "Plan for Coal" and the National Coal Board proposals for 1984 have been overtaken by subsequent events. The events include the loss of production of between 60 million and 70 million tonnes, the fall in the value of the pound and the effect of that on the cost of foreign coal, the possible loss of markets and the deteriorating situation in mining communities. These factors have strengthened support for the initiative of the church leaders.

I am sure that our colleagues in the European Parliament will shortly be suggesting to us that the Government should set up an independent review body, that there should be no pit closures until that body presents its report and that the review body should report on a date that is agreed jointly between the parties in the dispute. I am sure also that our partners in the Community who are concerned about the Community's future energy policy and the tonnage that each coal-producing member is producing believe that these proposals are capable of enabling the parties to the dispute to resume negotiations and to bring the strike to an end.

In view of our anxiety to get our just share of energy investment from the EEC budget, why should any democratic Government choose continued confrontation rather than bringing an economically and socially damaging strike to an end? The assertion of the Chancellor of the Exchequer that the destruction of a great union and the suffering of thousands of men, women and children is a worthwhile investment in the future of the British economy must be received by our EEC partners with horror and incredulity. The Government's perverted charade of non-involvement in the strike, while making it known that they are opposed to the very idea of a negotiated settlement, is a demonstration that they are washing their hands of national interests and the interests of the community.

It will be a hollow victory if the Government sit back and wait for the miners to return to work. In south Wales only 1 per cent. of the mining work force has returned to work. Whatever the outcome of the strike, we in south Wales will be able to walk tall. If the Prime Minister has learnt anything from the Falklands war, it should be that when people want to talk about peace their efforts should not be torpedoed. The Government bear a responsibility because without a negotiated settlement employee-employer relationships in the coal industry will be in turmoil for years to come.

Finally, the Prime Minister ought not to look at this as a fight to the finish. Mr. Scargill——

Mr. Speaker: Order. I think that the hon. Lady is straying rather widely from the Estimates, which have nothing to do with the solution to the strike.

Mrs. Clwyd: I have just one more sentence to deliver, Mr. Speaker.

Mr. Scargill has said that he wants to negotiate——

Mr. Speaker: Order. The hon. Lady will have to be a little more ingenious than that.

Mrs. Clwyd: My colleagues in the European Community will, of course, be pleased, as we all are, to hear that Mr. Scargill wants to negotiate. They will be glad to know that he has said that he is prepared to return to the negotiating table without preconditions. I am sure that they will join my hon. Friends in saying that, to ensure the future of a great industry, an industry which can contribute much to the European Community, the Prime Minister should do the same.

6.50 pm

Mr. Roger Freeman (Kettering): After that interesting interlude, may I return briefly to the mainstream of the debate, as a strong supporter of the European Community and one who regards the measure before the House as inevitable and sad? However, I do not intend to waste any time crying over spilt milk. It is more important to concentrate on the shortcomings as I see them of the proposed budgetary discipline to which the Minister referred in opening the debate. I wish to raise three points concerning the proposed budgetary discipline regime.

The first is the degree of real control over expenditure and the evidence that the House has before it of the steps taken during 1984 to control that expenditure. We are told that the expenditure overrun was reduced from 2·3 million ecu to about 1 million ecu — the Herculean task to which the Minister referred in opening the debate. However, when one examines the documents a little more carefully, one sees that it amounts to not such a tremendous feat of controlling revenue expenditure as first appears.

The Minister of State, on 10 July 1984, told the House in a written answer that one way of controlling expenditure was simply to defer cash expenditure from 1984 into 1985. Indeed, in evidence to the Treasury and Civil Service Select Committee on 29 October 1984, the Economic Secretary referred to another way of controlling the overrun this year—by bringing forward sugar levies from 1985 into 1984. I submit that cash management, albeit sophisticated cash management, is no substitute for proper control of revenues. I am somewhat saddened to note that in evidence to the Select Committee the Economic Secretary cited 150 million ecu as the only example of a reduction in revenue expenditure in fiscal 1984. That arose apparently from changes in policy towards destocking items in surplus. The figure of 150 million ecu represents 0·6 per cent. of the budget. I submit that there is little evidence thus far of proper economies in Community expenditure being achieved.

The second of my three points concerns the timing of the introduction of the budgetary discipline and the so-called clawback mechanism, which I think on closer examination turns out to be not a clawback at all. It should be drawn to the attention of the House that the budgetary discipline mechanism does not become effective until 1986, a year in which it is assumed that the new value added tax ceiling will be higher than 1 per cent.

In volume II of the Government's public expenditure White Paper which was published this afternoon, I note that there is, indeed, an assumption that a supplementary budget will be brought before the House during this calendar year. Doubtless that is an assumption, but it is important for the House to appreciate that the new regime begins in 1986, that there is a two-year period in which the Ministers of Agriculture must try to control excessive expenditure and that therefore the first year in which we in this country can expect to see the benefits of any corrective mechanism or action taken under the budget discipline is 1989. In 1986, the rules will come into operation, and there is a two-year period following 1986 for intervention prices to be altered. Therefore, the benefits will not accrue until 1989. I submit that that is a very long period in which to correct excessive expenditure.

Mr. Budgen: My hon. Friend omits to mention clause 2 of the Fontainebleau agreement which states that the maximum rate may be increased to 1·6 per cent. on 1 January 1988 by unanimous decision of the Council. Although not a legal commitment, that was surely a moral commitment by the signatories to make a further increase in own resources in 1988 should that be necessary.

Mr. Freeman: I think that my hon. Friend is wrong.

Mr. Budgen: Why?

Mr. Freeman: I will explain, if I may, why my hon. Friend's point is not directly relevant to the point that I am trying to argue. The budgetary discipline measures proposed and accepted relate to the increase in the size of the value added tax resource base. The rate of payment, whether it is 1 per cent., 1·4 per cent. or 1·6 per cent., is not directly relevant to the control of the increase in agricultural expenditure.

If I may develop the second point a little further, I wish to draw to the attention of the House the fact that the clawback mechanism is not quite as effective as it may at first seem. I refer here to article 5:

"In the event of failure to respect the qualitative guideline referred to in Article 2"—

that is, the control of agricultural expenditure—

"the Council shall, during the following two financial years"—

and I have already referred to the timetable effect of that—

"ensure that, barring aberrant developments, agricultural expenditure is brought back within the limits imposed by this guideline."

There is no mechanism for recovering excessive agricultural expenditure, and it is important that the House should appreciate that.

The third of my three points relates to the rate of increase of agricultural expenditure. I believe that the Treasury and Civil Service Select Committee has done a service to the House by drawing attention to the fact that no specific percentage has been identified by Ministers as the lower rate at which agricultural spending shall rise in relation to the growth in the value added tax own resource base. In evidence to the Treasury and Civil Service Select Committee, the Minister effectively admitted that the limit was the increase in the VAT resource base rather than holding out the hope to the House or to the country that agricultural spending would be limited to a lesser rate of growth.

In conclusion, I believe that the pressures of greater agricultural spending are already evident. As my right hon. Friend the Member for Worthing (Mr. Higgins) said, we are asked to advance a payment of the monthly VAT sums and, while that has nothing to do with this debate, it is a sign that in 1985 the pressure of agricultural spending above budget may already be there.

Unless we move to a system of cash limits, which I favour but which is complicated, the only way to control agricultural spending—the test will come this spring—is for the Ministers of Agriculture to resolve the issue and to make certain that agricultural spending in 1985, and not 1989, is controlled and rises by less than the increase in our VAT own resources base.

6.39 pm

Mr. Russell Johnston (Inverness, Nairn and Lochaber): I, too, shall be brief. I agreed very much with the last point made by the hon. Member for Kettering (Mr. Freeman). I shall return to agriculture later, but what the hon. Gentleman said is the essence of the matter, and he is quite right.

The Minister did not seem to be actually unhappy, but he was far from bubbling, boisterous or buoyant. He explained the situation very clearly. It is certainly unsatisfactory. It might also be described as messy. It boils down to the choice between contributing to easing the problem or actually making it worse. I agreed with most of the comments of the right hon. Member for Worthing (Mr. Higgins). One of the things that weary me about these debates is the habit of many hon. Members—one or two of them are here today—of asserting that everything that is wrong with the Community is the fault of others, as though we had no share in the responsibility. Our agriculture Ministers share the responsibility for failing to get a grip of the CAP more quickly. We cannot dodge that.

Mr. Forth: Does the hon. Gentleman agree that the British Government have been virtually alone in pressing for the use of the price mechanism in a real attempt to control agricultural output, but have been thwarted by almost all other members of the Community? Surely it is legitimate to say that we, almost alone, have struggled for

[Mr. Forth]

many years to bring the price mechanism to bear on the problem of agricultural surpluses but have been denied any results by the concerted efforts of other member states.

Mr. Johnston: I do not entirely agree, although it would take a long time to argue the matter. The agricultural element in the United Kingdom is smaller and thus less politically significant whereas in France it is clearly a major factor. All Governments to some extent respond to pressure from their constituents, although I do not deny that what the hon. Gentleman says is partly true. When we signed the treaty in 1973, all the other member states took that to mean that we accepted the situation as it then was. Our apparently continuous failure to do so has thus caused considerable resentment.

It has been clear for the past five years that a continued open-ended system of agricultural support was bound to lead to trouble, compounded by the seldom mentioned fact that the problem is not just open-ended production with the need for subsidy capping, as it were, but the rapid and expensive result of advances in agricultural technology, as the support system was devised without the expectation of full production or production in balance with demand. Ministers tend to talk as though budget reform is already complete and we can gallop off into the sunset, no doubt smoking a full-strength cigarette, happy that it is all over, but that is far from the truth.

Alliance Members regard four elements as essential to the integrated package referred to by the right hon Member for South Down (Mr. Powell), who was right to stress that all these things affect one another.

First, there is still no real movement towards linking the contributions of member states with the wealth of those member states in an institutionalised way, related to GNP or whatever. Until that is achieved, there will be continuing objections from various countries.

Secondly, we are still a long way from reform of the CAP. We have made some hesitant attempts with the dairy industry, but we shall shortly have to do something about cereals if President Reagan changes the agriculture policy pursued for some time in the United States. If instead of paying farmers not to produce grain he takes away the payment and they produce the grain, there will be enormous problems for the common agricultural policy because the United States will be producing grain far more cheaply than we do.

Thirdly, there is a need for growth in common policies, especially in relation to new technology. The hon. Member for Cynon Valley (Mrs. Clwyd) referred to ESPRIT. Europe must be able to compete in this area. In addition, there is the question of the regional and social funds.

Fourthly, all those things mean higher own resources. There is no way around that. That, in turn, must be linked with budgetary discipline.

Those four elements constitute what I would regard as a sensible package. We must also accept that, unless we proceed sensibly and prudently in concert with the rest of the Community, the whole enterprise is bound to fail. We should remind ourselves much more often that we are not playing a game of the United Kingdom versus the rest of the Community. The hon. Member for Cynon Valley referred to the Mafia. Undoubtedly, they are a disreputable lot. The impression is vaguely given, however, that the Germans, the French and indeed the Italians do not object to the Mafia. That is absolutely not true. All Governments object very much to frauds of the kind that have been discovered. If we do not appreciate that we are involved in a common enterprise, the enterprise cannot succeed.

My next point is in the form of a question. On the last occasion, I asked eight questions, none of which was answered either in the debate or afterwards by letter. I felt very neglected, but I am sure that the Minister replying to today's debate will take a more generous view. No budget has so far been fixed and the Germans are blocking this until Spain and Portugal enter the Community, which on the most optimistic time scale will not be earlier than June or July. Indeed, they may not get in at all. Mr. Andreas Papandreou may make sure of that. What then happens to the budget? If we have no more resources and no fixed budget, do we simply ask for a further £100 million or so?

A number of hon. Members have commented on the renewable loan.

Mr. Foulkes: Reimbursable.

Mr. Johnston: The right hon. Member for South Down seemed to think that it might be some kind of bequest, and at the end of the day he may not be too far off the mark. If there is to be a reimbursable loan, future European Community budgets must take account of that fact. It is doubtful, even for the most optimistic pro-Europeans such as myself, whether the notional increase in own resources—some hon. Members do not like that idea, but it looks as though it will come off—will be enough to cover the current demands on the Community, quite apart from the hopes for the other aspects to which I have referred. That must cause us concern.

I was puzzled by the fact that the Economic Secretary, with an appearance of self-satisfaction, made a positive point about the fact that the European Parliament was excluded from any involvement in this exercise. There has been wild applause from certain well-known quarters for that statement. I do not believe that that exclusion is prudent. The Government's wish to bypass the European Parliament does not bode well for the evolution of better democratic procedures Europewide and is not in the spirit of Fontainebleau and the Prime Minister's commitment in the splendid paper the right hon. Lady submitted on that occasion.

Mr. Forth: There is a simple rationale behind this type of approach. Recent history has demonstrated that the European Parliament, in its capacity as the budgetary authority of the Community, is apparently capable only of moving the budget upwards. Every year it asks for more and more to be spent. It is simple logic to suggest that, if one is seriously in the business of controlling and curtailing Economic Community expenditure, the European Parliament should be excluded from that process as far as possible. I suggest that reason to the hon. Gentleman.

Mr. Johnston: I am grateful to the hon. Gentleman for making that suggestion. I point out, however, that the various directions in which the European Parliament has sought to increase the budget have all been aspects about which most hon. Members would agree.

Mr. Forth: No.

Mr. Johnston: Yes. In the main, the Parliament has sought to increase expenditure on the regional and social

funds, support for under-developed countries and the like. That type of expenditure has been opposed by national Governments, because those Governments have been committed to sustaining heavy expenditure on the CAP, which is another aspect that hon. Members simultaneously criticise. I hope — this is inevitable if the European Community is to continue — that the European Parliament will develop a more important role in the Community. That can be done only by national Governments giving the European Parliament more responsibility.

Mr. Beaumont-Dark: There is one born every minute.

Mr. Johnston: If that is so, we shall soon have a majority.

It is all very well for certain hon. Members—they do this frequently in such debates—almost to take a delight in the fact that there are weaknesses in and criticisms to be made of the Community. A flawed and malfunctioning Community is not to the benefit of this country—very much the opposite.

7.13 pm

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): These Common Market debates show, if nothing else, a type of sick humour. We heard the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston) say that the way to cure the problems of the Common Market is to give it more power. That is like saying that the way to cure an alcoholic is to give him more whisky.

The problem with the Common Market is that it cannot and does not genuinely work. There is no doubt that the Government, in the shape of my right hon. Friend the Prime Minister and my hon. Friend the Economic Secretary to the Treasury, have worked hard and long to bring some sense into this senseless organisation. The Common Market cannot really work, because, as we show in our report, there are budgetary disciplines and regulations that are not mandatory. If they are not mandatory, each country does what it wants and agrees to abide by the rules as long as it suits that country's self-interest. The evidence we took has shown that.

As with this £119 million, we shall be asked year after year for more and more money. Most of us want to tell the Government, who are possibly the only sensible people in this incredible organisation, that a message should go out to the Common Market stating that the own resources increase nonsense is unlikely to be voted through by the House. Giving more and more money to Europe, as the hon. Member for Inverness, Nairn and Lochaber said, and giving more power to the European Parliament will mean only that the money will disappear and our means of putting our own structure and economy right will go to Europe and will be wasted there.

This very afternoon we have seen that £1·4 billion out of the £2·05 billion capital expenditure programme has gone towards supporting food surpluses. Over the years, we were promised that if we supported agricultural food prices for a generation — even before the Common Market was set up — those support prices would even out the bumps and dips giving an even price for food. Land is priced at £3,000 an acre—land prices hold the secret of the agricultural support business nonsense — not because that is a sensible price for the land that is used to grow food but because of the agricultural subsidies that can be absorbed by those who own that land.

Mr. Marlow: Is it not a truly remarkable achievement of the Community and the common agricultural policy that in the United Kingdom £1·4 billion of agriculture expenditure — three quarters of the Community's expenditure — is on agricultural surpluses while the United Kingdom produces only 17 per cent. of its own foodstuffs?

Mr. Beaumont-Dark: My hon. Friend is absolutely correct. What has happened to the price of land since some common sense was introduced into the milk quota system? The price of agricultural land has decreased by 15 per cent. If we had a more sensible common agricultural policy, a few landowners might scream but a few more sensible working farmers would be able to farm land at a worthwhile price. That would be better than subsidies going into the hands of landowners who add nothing to the value of that land, but simply build vast estates.

Mr. Geraint Howells (Ceredigion and Pembroke, North): I have listened with interest to the hon. Gentleman. Does he suggest to hon. Members that the quota system for the dairy farmers is beneficial to us in the United Kingdom? Does he suggest that the Minister of Agriculture, Fisheries and Food and his Department should introduce quota systems for producers of other goods?

Mr. Beaumont-Dark: No, I do not. The one great problem with the milk system is that, as ever, the British people are the only ones playing the game. I made that point before. French farmers, who are meant to be reducing their production, are exporting more milk to this country at the expense of British farmers. If we had a sensible agriculture policy, if farmers did not believe that they could go on producing sugar beet we do not want, mountains of wheat we do not need, turnips no one wishes to eat and wine lakes of indescribably poor quality wine, and if people understood that food would be treated as other sections of our manufacturing and commercial life are, we would have better priced food, more prosperous manufacturers and a sensibly based Economic Community. The problem with the whole of the Community is that no Government—in Britain, France, Italy or Germany—have the courage to tackle possibly the greatest ever cartel in the world — the agriculture industry.

If manufacturing companies were allowed to produce cars that could be stored, and if every car produced by British Leyland had to be bought by the economy, what a wonderful, prosperous world the west midlands would be. But it is not sensible to produce cars that cannot be sold. Therefore, it is not sensible to produce food at exorbitant prices that we cannot afford.

If the Government are to do anything, they should—painful though it may be for some — get a genuine debate going about when the kissing in the agricultural world will stop. If we continue to encourage people to plough up fields and hedges to grow food that we do not want, more and more food will be produced, more and more subsidies will be required and more and more will the CAP destroy the rest of the basis of Europe.

Although I believe that the Government are doing the very best that they can, quite frankly we are having yet another battle which, although we have lost it with some dignity, we have nevertheless lost. The greatest battle of all will be about own resources and what we must do about

[Mr. Beaumont-Dark]

the CAP. There has been a great deal of talk and the Government have rightly slapped many wrists and kicked a number of bottoms. However, we still go on and on paying out money. That must end some time. If it does not, we shall keep on tearing ourselves apart in our own internal budget by knocking £10 million off that expenditure, £20 off expenditure on students or whatever and £50 million off the NHS. Where will the money go? It will be wasted. The time for reality is now.

This debate, although it has continued for longer than some wished, is one of the most important debates that we shall have. I hope that it will set the tone for the Government but, above all, I hope that it willl set the tone for Europe. It must be realised that Britain wil not allow this expenditure to continue. The British people and the British Parliament will not allow that.

7.22 pm

Mr. Nigel Spearing (Newham, South): Many hon. Members will agree with the forceful and colourful argument put forward by the hon. Member for Birmingham, Selly Oak (Mr. Beaumont-Dark). I certainly agree with him. However, the debate is more important than even he and other hon. Members have realised. We are being asked to approve a Supplementary Estimate of £119 million which goes towards no less than £1 billion additional EEC expenditure for 1984.

This is an important constitutional debate because we are debating the fundamental power of the House—the power of the Legislature over the Executive, whether that Executive be in Brussels or in Whitehall. The difference between this debate and other debates on the EEC is whether we have theoretical or actual teeth in answering the question. The House must authorise the additional expenditure, and we are being asked to do so in a manner that has never happened in the House since we joined the EEC more than 10 years ago.

The delicate mechanism of financial control—both of taxation and of expenditure—which is found within the procedures of the House has now become enmeshed with the inordinate complexity of the financial, political and constitutional procedures of the EEC. I shall try to clarify this matter, not only for those present but for the record, and I do not intend to be brief. I shall quote a number of EEC instruments that pertain to this matter.

We are today involved in a procedure of financial precedent, which is also of constitutional precedent. It was right that the business motion that was tabled earlier was not passed so that the matter could be adequately aired. That throws into light the difficulty with the Consolidated Fund Bill which is set down for Wednesday. It will go through on the nod and there will not be the customary period for debate. We must note that.

The obligation of the House on finance for the EEC is contained in the European Communities Act 1972, section 2(3), which states:

"There shall be charged on and issued out of the Consolidated Fund or, if so determined by the Treasury, the National Loans Fund the amounts required to meet any Community obligation."

The proposal is not a Community obligation. If it were, it would be covered by the Act and there would be no need for a debate, an Estimate and a vote. That is why we are under only a claimed obligation.

Following questions asked by some Conservative Members, and especially the hon. Member for Nottingham, East (Mr. Knowles), what is the nature of the Community obligation? The answer is that there is no obligation. I have yet to see any statutory basis in European Community terms for the request now being made. As I shall seek to demonstrate, I believe that the payment to the EEC, for the supplementary benefit of the EEC, has no basis and is, therefore, illegal.

It is true that the intergovernmental agreement, Cmnd. 9395, into which the Government have entered and which, in effect, the debate endorses, is under no such limitation because it is an agreement outside the terms of the treaty of Rome, outside the statutory form or constitution of the EEC, and, therefore, it is perfectly proper for members of the club to say that they will make a voluntary loan to the organisation.

The point is that the organisation, by its own rules, has no power to spend more than the legal maximum and that legal maximum would be exceeded if supplementary benefit No. 1 is implemented by the expenditure of money that we are now discussing. Therefore, we must ask ourselves two questions. Is the Supplementary Estimate within the scope of the European Communities Act, sections 1(3) or 2(3)? The answer, quite clearly, is that it is not. If it fell within section 2(3), we would not be debating it; and if it fell within section 1(3) we would be debating not a Supplementary Estimate but a draft Order in Council. The Government, for reasons that have been given, decided not to take that path.

This whole question was foreseen as long ago as 14 March 1972, both in the Chamber and in Committee, during the passage of the European Communities Act. The right hon. Member for South Down (Mr. Powell)—then the right hon. Member for Wolverhampton, South-West — picked immediately on the word "ancillary". He asked whether a treaty such as the intergovernmental agreement before us was ancillary to the treaty of Rome. The debate raged for some hours.

My former colleague Mr. Douglas Jay, then the right hon. Member for Battersea, South, said:

"If I understood aright, the Solicitor-General said it was quite clear that a treaty under subsection (3) must be within the scope of the Community treaties."

The Solicitor-General said:

"It is on that ground that the vires of an Order in Council could be challenged if it sought to give the status of a Community treaty to something which could not and should not be regarded as a Community treaty 'as herein defined'." — [*Official Report*, 14 March 1972; Vol. 833, c. 350.]

That is exactly what happened. I might say now, "Enter Mr. Smedley." It was Mr. Smedley who, as a citizen exercising his judicial rights, sought a judicial declaration in the courts that the draft statutory instrument was illegal because it had no vires.

I do not intend to discuss the judgment of the three learned judges, including the Master of the Rolls. Despite the fact that the order has been withdrawn, I understand that there may be further applications and petitions. Therefore, the judgment is still sub judice. However, I hope I can correct the statement by the Economic Secretary to the Treasury—that the court has said that this procedure is lawful. It may have done so. Although the court quite clearly said that the treaty is capable of being regarded as a Community treaty, it did not say that it was a Community treaty. The judgment of the court was that that decision must be partly for the court and partly for the House. We are not discussing that order. Therefore, I shall not discuss its vires. We are discussing the vires of

the order that is before the House. It rests upon the constitution of the Community in so far as it relates to Community finance.

In his application, Mr. Smedley asked how the order could be legal because the treaty of Rome did not permit expenditure to be incurred over the so-called 1 per cent. limit. Therefore, he said that the order and the supplementary budget were illegal. In trying to satisfy the Select Committee on Statutory Instruments, which has an interest in this matter, the Treasury, in a statement that is contained in House of Commons Memorandum No. 25, VI, stated:

"The undertaking of 2-3 October does not qualify under the first head since none of the Communities was a party; it is however a treaty to which the United Kingdom is a party and which is ancillary to the EEC treaty and to the Own Resources Decision of 21 April 1970 and also to the ECSC, Euratom and Merger Treaties. All of these are Community Treaties within the meaning of the 1972 Act."

I believe that they are, but the question to which the Treasury memorandum did not address itself was whether those treaties are capable of allowing agreement to the expenditure to be given. I suggest that the memorandum placed before the Select Committee on Statutory Instruments was at best partial and at worst misleading.

It is at this point that I need to go into the history of the affair. Without doing so, I cannot demonstrate to the House the inadequacies that have so far transpired. The Treasury memorandum from which I have just quoted referred to the very important EEC decision of 21 April 1970 which initiated the own resources mechanism under which we now work. Article 1 clearly states that the Communities have to ensure that their budget is in balance. Article 4 states:

"From 1 January 1975 the budget of the Communities shall, irrespective of other revenue, be financed entirely from the Communities' own resources. Such resources shall include those referred to in Article 2 and also those accruing from the value added tax and obtained by applying a rate not exceeding 1 per cent. to an assessment basis which is determined in a uniform manner for Member States according to Community rules."

That is the basic statute relating to what the Community can do. It made it clear beyond peradventure that not only had the income and expenditure to balance, but that the expenditure must not go above 1 per cent. That was the initial decision.

However, it became something very much more than that. It became entrenched in Community statutes by virtue of the accession of the United Kingdom, Denmark and Eire to the Communities. A little known but vital article in the treaty of Accession, article 131, which is to be found in Cmnd. 7463, made it quite clear that at the time of ratification of the United Kingdom treaty of Accession to the European Communities the means of raising revenue was entrenched in treaty form. For the record, article 131 provides:

"From 1 January 1978, the Communities' own resources and, where appropriate, the financial contributions referred to in Articles 4(2), (3) and (4) of the Decision of 21 April 1970, shall be due from the new Member States, in full, subject to the following provisions."

Those provisions do not now apply. Therefore, it was made clear from the very start that the 1 per cent. was clearly enshrined in Community law, as was the obligation to balance its books.

That was the position until last autumn when the Community found itself short of funds for 1984. It could have done one of two things. First, it could have stopped the payments in the current year and made the payments due in 1984 from the 1985 budget. That would have meant a delay in payment. Perhaps farmers would have been paid later. However, the Community did not do that. Secondly, the Community could have said that it must meet its obligatory payments, but that perhaps it was not absolutely necessary to meet its non-obligatory payments. However, the letter of Mr. Andriesson to member states — communication 8514 of 1984—made it abundantly clear in paragraph 7 that the Community had no intention whatsoever of trimming its non-obligatory expenditure, because, to use its words, this would advocate an upheaval of those policies which are financed by non-obligatory expenditure and the Commission would not in any circumstances propose transfers of expenditure which would have that effect. In other words, there were three ways in which the Community could have reduced the expenditure. It took none of them. Instead, the Community requested member states to promulgate the undertaking — Cmnd. 9395 — and to lend to it the £1,000 million that we are debating tonight.

The Select Committee on European Legislation is not responsible for the Estimate that we are debating. However, it looked at the promotion of the draft supplementary budget. Although it may have been legal for Members of the European Parliament to promote that international agreement, I question whether it was legal for the EEC to promote a preliminary draft supplementary budget to allow it to spend money which it had not got. It would be spending money to which it had no legal right. The Scrutiny Committee — House of Commons 1978, XXXV—in a paragraph describing that supplementary budget, said:

"The Committee note that this action based on an inter-governmental agreement outside the terms of the Treaty was taken by the Representatives of all the Governments of Member States meeting within the Council."

The Committee then goes on to point out that it had originally wanted to deal with the matter through article 235, but thought that that would not be a proper way of doing so. I hope that that makes it clear to those Conservative Members who have been slightly mystified that the supplementary budget has no basis whatever in EEC law. If it has no basis in EEC law, whether in the treaty of Rome or any other treaty, have the Government any real basis on which to present their Supplementary Estimate to the House?

I am sorry to see that the Government, in paragraph 8 of the memorandum which they presented with the Supplementary Estimate, make no reference to the matter being extra-treaty at all. Under paragraph 8 — policy implications — they just state that it arose out of Fontainebleau and make no mention of the draft supplementary amending budget. It is, therefore, an improper arrangement and one to which the House should not give its assent.

The control and reform of excessive expenditure has, historically, been the concern of the House and is the only way in which it has final power over the Executive. Therefore, the vote on which we shall embark tonight is one of those rare occasions when the House can, if it chooses, exercise control over the Executive of the day. In that respect, it is a new and unprecedented situation. It is ironic in many ways because, as many hon. Members have said, the profligate and uncontrolled expenditure of Europe is in stark contrast to the unjust parsimony of the

[Mr. Nigel Spearing]

Government's expenditure inside the United Kingdom. Therefore, I suggest that there is ample cause for complaint.

But one further irony remains of which the House is not yet aware. The judicial procedures, of which I have just spoken, are still in train. I understand that Mr. Smedley has submitted a petition to the House of Lords. In that petition he claims, as I understand was his case in the court, that there is no statutory basis for this payment at all. Article 177 of the treaty of Rome, as has been said, is a matter of preliminary ruling. It deals with the powers of the European Court over the courts of nation states.

Let me remind Conservative Members — some of whom are only too well aware but others, I regret, members of the Treasury Bench, are only too unaware — that when the House passed the European Communities Act the other place was no longer the highest judicial court in the land. Through a vote in this place, we passed the powers of judicial determination of the other place in its judicial capacity to the European Court. Article 177, which speaks about matters of interpretation of the treaty or interpretation of its statutes, says:

"Where such a question is raised before any court or tribunal of a Member State, that court or tribunal may, if it considers that a decision on the question is necessary to enable it to give judgment, request the Court of Justice to give a ruling thereon. Where any such question is raised in a case pending"—

I presume that that includes a petition—

"before a court or tribunal of a Member State, against whose decisions there is no judicial remedy under national law, that court or tribunal shall bring the matter before the Court of Justice."

As I understand it, that clearly refers to the House of Lords. There is no appeal from the House of Lords, and the terms of the article say that there is a case pending. I should have thought that, under Community law, there was an obligation on their Lordships' judicial branch to refer that to the European Court. In view of the rather lengthy and, I admit, boring but necessary quotations that I have given to the House, I cannot see how the European Court could rule otherwise than that supplementary budget No. 1 is extra-treaty, ultra vires and, therefore, illegal.

I do not know whether the other place has taken such steps. Knowing the European Court, I cannot guarantee that it would come to that conclusion, but, in the circumstances, it would be difficult not to do so. Even if it does not, and even if the Government win the vote tonight, the Smedley case has brought a new insight into and advanced the ancient argument of the rights of the Legislature against the Executive that much further. Without the Smedley case we should have had an hour and a half to debate what we have been discussing tonight. Without that gentleman having petitioned the House of Lords, the test to which I have just referred would not necessarily be in question, and perhaps the power that the House has already voted away would not become so well known as I hope it will.

The House and the country owe a debt to that gentleman because he has done what people have done over the centuries — used their democratic individual rights as citizens to seek redress in the courts and to contribute to the strength of the House in its control over the Executive of the day. That is the basis not only of individual freedom but of democracy as we understand it.

7.46 pm

Mr. Nicholas Budgen (Wolverhampton, South-West): In substance, Mr. Smedley triumphed, and it is to him that we owe this debate. But technically, Mr. Smedley lost, and I understand that the Government intend to have their costs from Mr. Smedley. I hope that there may be some expression from the House that, although the Government have a legal right to those costs, it would be the most disgraceful and ungenerous attitude to enforce that order against Mr. Smedley.

The hon. Member for Newham, South (Mr. Spearing) spoke of his part in 1973. We are all prisoners of our memories on this issue. I always speak with great embarrassment on the EEC when I speak either after or in the presence of the right hon. Member for South Down (Mr. Powell). I remember that when, 11 years ago, I went before the Conservative Association at Wolverhampton, South-West, shattered as it was by the knowledge that its sitting Member was not prepared to take part in what he described as a fraudulent election, I said that if we remained in the EEC we would reform the common agricultural policy. In the constituency which was represented for 63 years by C. P. Villiers, the man who year after year moved the abolition of the Corn Laws, it is difficult to advocate the continuance of the common agricultural policy. I genuinely believed, in my youth and naivety, that if we remained in the EEC the common agricultural policy would be reformed.

But we must understand that, if the House supports the Fontainebleau agreement, it is probably goodbye for ever to reforming the common agricultural policy. Let us look for a moment at what the Fontainebleau agreement provides. First, it provides that until the increase to 1·4 per cent. comes along, we shall provide supplementary money for 1984 and for 1985. In 1986 it is assumed that the national Parliaments will agree to the increase to 1·4 per cent., but it is worse than that. In clause 2 of the Fontainebleau agreement, a moral commitment is given to increase own resources to 1·6 per cent. by 1 January 1988. I fear that my naive promise to the people of Wolverhampton in 1974 that the CAP would soon be reformed will not be honoured in 1988, nor even in 1994.

We must ask ourselves whether any of the nation states — in that I include the Government and people of this country — genuinely want the CAP to be reformed. Are we doing the easiest thing in politics, that is, are we merely talking about wishing to see it reformed and not being prepared to will the detailed means for it? Our position is clear. We have a veto on this increase or loan. We have a veto as a nation and as a House on any increase in 1985, and we have similar vetos upon the 1·4 per cent. and 1·6 per cent. increases.

The fact is that the Government know that, if we follow the Fontainebleau path, expenditure on the CAP will continue to escalate. If the House does not believe that, pray have a look at today's public expenditure White Paper. Previously, the Tory Benches were filled with those who were deeply angry on behalf of their richer constituents who were to have to pay the massive sum of £39 million towards the education of the richer, more privileged university undergraduates and students.

On page 13, volume I, of "The Government's Expenditure Plans 1985-86 to 1987-88" there is a chart of areas where expenditure over and above last year's White Paper is planned for next year. In 1985 net payments to

EC institutions will increase by £200 million, and there will be an increase of payments to agriculture of £130 million. I must remind my constituents who were so angry that that amounts to £330 million, which is about 10 times as much as the increase in the cost of their students' education about which they were complaining — understandably because they had not been warned.

Mr. Deakins: Does the hon. Gentleman agree that to £130 million extra for agriculture is United Kingdom expenditure on agriculture, and that it is in addition to any increases that will come from the largesse of the Community?

Mr. Budgen: That is not quite right. I was about to deal with that. Technically it is British expenditure, but as a preliminary to EC expenditure. If the hon. Gentleman looks at page 54 of "The Government's Expenditure Plans 1985-86 to 1987-88", volume II, he will see that a further £190 million and £30 million are going to the intervention boards, which are technically under the control of national expenditure, but which, when the produce is sold, are taken over by the EC.

On page 48 it is plain that an extra £200 million is budgeted to be spent in 1985. I refer to paragraph 50, laughingly described as "Budget discipline", which shows that a second Supplementary Estimate will be brought before the House to provide for a further £200 million in 1985.

The House has a veto, and should stop this escalation. Otherwise the promise that I gave to those who became my constituents in Wolverhampton, South-West that the CAP would be reformed will be as nothing. It will be a fraud upon the people of the United Kingdom. Indeed, there can be only one honourable reason for voting for the measure. It would not be that budgetary discipline is effective— my hon. Friend the Member for Kettering (Mr. Freeman) nods in agreement, albeit from a different standpoint— but that the system of budget discipline is entirely dependent on the will of the nation states. If they wish to obey or avoid it, it is technically perfectly possible for them to do so.

Are there any signs within the nation states that they have a deep-seated political will to reform the CAP? Of course there is not. The French Minister of Agriculture first sounded deeply angered because he feared that there might be a system of budgetary control that was effective, and then, when he saw the loopholes, he thought that it was splendid and that everything could carry on as before. Recently, we heard that the Germans had decided no longer to collect the milk levy because they had found that they were the only nation in the EC to collect it. Moreover, the Germans say that they do not think much of the idea of reducing cereal prices this year by 5 per cent. There is no evidence in the EC of any fundamental deep-seated political desire to reform the CAP.

Let us be clear about this. If the House throws away the veto either tonight or on subsequent votes upon the escalation of our contributions to the EC, it will not be possible for hon. Members like me to go before their electorate and again say that the CAP will be reformed because we shall have made it impossible to reform the CAP. What is more, in future it will not be possible for us to say, "It is the fault of all the other nations in the EC". By our vote tonight we take within our hands the power to prevent such escalation. If we throw it away, it will not lie within our mouths to blame other nations for our neglect.

7.57 pm

Mr. Eric Deakins (Walthamstow): I shall not detain the House long, because it may wish to move to other business. I congratulate the right hon. Members for Worthing (Mr. Higgins) and for South Down (Mr. Powell) on drawing the attention of all hon. Members to the nature of what the House is being asked to agree.

It is an extremely important matter. Many doubts remain and many questions that have been asked need to be repeated to the Treasury Bench. I am glad that the Chief Secretary to the Treasury is present although, as the right hon. Member for South Down said earlier, it would have been even better if we had managed to ensure the attendance of the Chancellor of the Exchequer, if only for the reply.

One of the main questions has been whether the sum is a loan or a repayable advance. We have heard of the semantic difference between the two. In his evidence to the Treasury and Civil Service Select Committee last year, the Minister tried to draw a distinction. If it is not a loan, is it a repayable advance? If it were a loan, it would be repaid with interest. If it is a repayable advance, will it be repaid with interest? The motion does not say when the money will be repaid to Britain. What will happen if that loan or repayable advance of about £120 million is not repaid? Obviously, it will be a political matter, but what power would we have under the Community's laws to insist on the return of our money? Whatever the sum is called, it must be the Government's intention to get it back at some point. How can we ensure that that happens?

Several hon. Members have said that this is an unusual procedure. The terms of the motion could be applied to any supplementary estimate at any time, in respect not only of EC expenditure but of domestic expenditure. Is it not unusual for the Government to act in this way? Will the Minister reassure the House that this will not constitute a precedent for other supplementary estimates relating to public expenditure in the United Kingdom?

I join the hon. Member for Wolverhampton, South-West (Mr. Budgen) in criticising the common agricultural policy. I shall not waste the House's time by mentioning the many debates that we have had and the many serious criticisms of that policy. Ministers, especially the Prime Minister, have made much of the document on budget discipline. Some people have said that it is not worth the paper on which it is written, but that is a little harsh on the agreement. Much work has gone into it, but in practice it will not have much impact. Last year, I asked the Prime Minister why the agreement had not been embodied in a financial regulation, and it was clear from her reply that she would have preferred that to happen. However, she had to say that we could not get our way. Why could we not get our way? What must have happened was that the other member Governments, represented at the highest level when these matters were debated last year, did not wish the noose of financial control to be tied too tightly around the neck of the CAP. I apologise for mixing metaphors, but perhaps they decided that it would be better to have the CAP on a looser rein.

Why do the CAP agreement and the budget discipline give farmers in the Community almost everything that they wanted? The Government have not obtained an agreement

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to restrict agricultural expenditure; the agreement will automatically increase such expenditure year after year. No one in his right mind would say that the Community's own resources will diminish.

Under the agreement on budget discipline, there is no longer an incentive for reform, fundamental or otherwise, of the CAP. As long as CAP expenditure can be kept within the limits of the increase in own resources—it would go from 5 per cent. to 10 per cent. a year under the agreement—expenditure on agriculture will be able to grow by that amount. Who can doubt that it will grow by the maximum amount permissible, and perhaps even by more?

Would we accept the principle of allowing expenditure under one vote heading to increase by the amount of a revenue that was appropriated for that expenditure in respect of public expenditure in the United Kingdom? Would we say that expenditure on defence, education or any other major public service will be allowed to grow from now on, regardless of the opinion of the House, which is supposed to control expenditure, following an automatic increase in income tax arising from inflation in any year? That is an absurd principle which the Treasury would throw out of court immediately, yet the Treasury and the Prime Minister have accepted it in respect of EC expenditure.

Many hon. Members who spoke in this and previous debates have not yet grasped the point about the increase in own resources to 1·4 per cent., which we shall soon be asked to approve, then to 1·6 per cent., and no doubt to more if we remain in the Common Market. When the VAT expenditure ceiling is increased from 1 per cent. to 1·4 per cent., there will be a substantial increase in the own resources of the EC in that year. Therefore, it will be possible under the agreement on budget discipline for expenditure on agriculture to grow by 20 per cent., 30 per cent. or 40 per cent. in a year. That must be insupportable.

My hon. Friend the Member for Newham, (Mr. Spearing) dealt in great detail with the status of the intergovernmental agreement. Where is the authority for what we are debating tonight and being asked to approve in the treaty of Accession, which ties the House and the people of Britain to the legislative and financial procedures of the EC? There is no such authority, and there must be at least some doubt whether what we are being asked to approve is ultra vires.

We must control Community expenditure. Some would argue that we should increase the powers of the European Assembly. The hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston), who is an admitted federalist —there are fewer and fewer of them in the House as time goes on, although there are still a few left in government—wants the European Assembly to have increased powers. We must resist that at all costs, and the way to do so is to ensure that at least this Parliament pays much closer attention to controlling our proportion of EC revenues as one means of securing effective financial control over all EC expenditure.

I should like to think that debates similar to this one are being conducted in the Parliaments of the other nine member states. I should like to think that questions are being asked of their Ministers, that they are discussing strict financial procedures and raising points because of what they are being asked to do. I hope that that is happening, but—I do not wish to appear too cynical—I am under no illusions, knowing what happens in some Parliaments, that it is. They are not as interested in financial control and inquiries into such matters as we are. That is a defect from which Britain suffers in the EC. It is a case not just of our playing by the rules and other countries not—it would be unfair to mention names—but of Britain taking its membership seriously while others accept what comes along. They do not have the same parliamentary interest in controlling what is happening in the EC as we do. Therefore, I beg the House to reject the motion, because it will set an undesirable precedent.

8.8 pm

Mr. Tony Marlow (Northampton, North): May I say at the outset that I sympathise with the Government, who are in a difficult position. On all these issues they have worked manfully and heroically, and they have achieved more than any other collection of Ministers could have achieved. They have done us proud. I sympathise especially with my hon. Friend the Minister of State, Foreign and Commonwealth Office—the hon. Member for Edinburgh, Pentlands (Mr. Rifkind)—who will be replying to the debate. He is one of my favourite Ministers, and my comments will apply especially to him.

Those of us who are friends of Europe and know how the Community works must be concerned about what has been happening. The Commission—the ultimate anti-democratic quango—with its own vested interests and values, proposes Community policy. The Council of Ministers, which includes a representative of the United Kingdom and nine other countries—with its own vested interests and values—discusses, processes and eventually spews out many bastardised compromises. Some of them are bad, some are very bad and some are not so bad, but few of them are good.

On the last occasion when we went through this process, a Conservative Government dedicated to the market were forced to impose on our farmers a system of rationing through milk quotas. A Government who thought that the best way of dealing with the problem was through price had to deal with it through a system of rationing.

On this issue, I am afraid that Her Majesty's Government have little power. They are the victims of the unenviable position that has been presented to them by the processes indulged in by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath). There is little the Government can do, but that does not mean that Parliament must do nothing. This is a matter of Supply —of cash, of taxation, of money. This House is entrusted with responsibility for the people's money. We can take issue on this measure, even though the Government, through no fault of their own, cannot.

Perhaps I may be so bold as to distil the views of the House on Europe by saying that there are those who are fundamental opponents and would still like us to get out, and there are those, such as the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston), who are Euro-fanatics and would like us to be involved in a federal Europe.

However, I suggest that the view of the House as a whole is that we are in, will stay in and should make the best of it and work and trade with the countries of Europe. I wonder whether, at the same time, we wish Europe to be a large spender of money. Do we want Europe to have

the funds to indulge in expensive policies? Do we want a continuation of common agricultural policies? We want to co-operate with Europe in those areas where we have interests in common, but we do not want it to be a financial burden round our necks.

Mr. J. Enoch Powell: There is another category, which the hon. Gentleman has omitted. I refer to right hon. and hon. Members who are determined to recover to this Parliament its powers of control over law, money and jurisdiction but who wish to see, subject to that, the widest possible co-operation with neighbouring nations on the continent.

Mr. Marlow: I respect the point that the right hon. Gentleman makes and I am sure that many people, if they search their minds and consciences on this issue, will agree with him.

Before we vote on this matter, hon. Members should ask themselves three questions. If they say yes in answer to one of them, they should support this expenditure. If they say no to all three, they should oppose what is being suggested.

First, we are talking about £120 million of taxpayers' money. If we have that amount to spend, is this the best way to spend it? My right hon. Friend the Member for Worthing (Mr. Higgins), in a brilliant speech, dealt with that point. We in this country have been going through a process of agony—as my right hon. Friend said, dealing with candle ends—in respect of expenditure on overseas aid, parental contributions, cutting £20 million here and £150,000 there to try to make the budget balance. The Government are, rightly, concerned with public expenditure. Should we be spending £120 million of our people's money in this way?

How will that money, if we agree to spend it, be supervised? Can we be sure that it will be well spent? Or will it be wasted? We heard the ghastly story last week of a fraud by which the Mafia took £30 million of Community funds. Should we be considering increasing the amount we allow for Community stewardship when stories such as that are regularly coming through?

The consciences of hon. Members were touched when we debated cutting heating allowances. The sum involved in this Estimate would provide £1 a week throughout the winter for every home with a pensioner. Should we spend the money that way or should it be used to top up a budget that has run wild?

Many of my hon. Friends have spoken of the need to spend money on Britain's infrastructure. It is their right to call for such expenditure, but they cannot have their infrastructure and eat it; we cannot spend the same money twice. If we spend £120 million making up an overrun in the European budget, we cannot spend it on the infrastructure as well.

Secondly, will this money be spent in the interests of the United Kingdom? I understand that we shall get some of the £120 million back in agricultural support, though nobody has said how much. We can be sure, however, that there will be an increase in the net contribution of the United Kingdom to the Community as a result of this action.

We in Britain have been fighting like mad to control Community expenditure. We have had a limit put on our net contribution. As a result of this device, that limit will be overcome and our net contribution will increase.

We are concerned about our farmers because we want a prosperous and profitable agriculture industry. This year the arable farmers have had the uncovenanted blessing of 4 million tonnes of grain which they did not anticipate getting, and that has been worth £500 million to them. It has been as manna from heaven, money they were not expecting. Must we provide them with an extra £100 million from Community funds out of the pockets of United Kingdom taxpayers?

Mr. Richard Body (Holland with Boston): Does my hon. Friend agree that the large scale arable farmers have been having a bonanza while the small livestock farmers might be called an endangered species?

Mr. Marlow: My hon. Friend, as always on these matters, is right. There has for long been the question of horn versus corn. Since we have been in the Community, corn has prospered and horn has been downtrodden.

The latest advisory brief to be presented to the European Legislation Select Committee is entitled, "The Budget Transfer No. 21/1984." It explains how money is transferred from one part of the Community budget to another. It explains how 270 million ecu have been transferred out of the cereals budget in terms of intervention and public storage costs and how 240 million ecu have been transferred to the distillation of wine. We grow cereals but we produce little wine. Thus, money has been taken from a part of the budget that benefits the United Kingdom and put into a part that does not benefit us. If that had not happened, this £120 million from the United Kingdom would not have been needed. In other words, having been had once, we are being had yet again.

Thirdly many hon. Members are concerned for the EEC and its institutions and want the Common Market to succeed. If we vote this money tonight, will it actually benefit the EEC? In his opening speech, my hon. Friend talked about unavoidable expenditure. There was a little debate between us, by way of interventions. It was suggested to him that if the price rises under the common agricultural policy had not been so great, we would not have had this unavoidable expenditure. If we agree tonight to spend more money, next year, surely, like this year, there will be more unavoidable expenditure. People will have learnt that the House of Commons is always prepared to dish out more cash to cover price increases that should not have been agreed in the first place.

Mr. Phillip Oppenheim: I do not disagree with much of my hon. Friend's thesis, but I believe that his contention that price rises are the problem is false. Over the past 10 years or so, general prices have risen three and a half times whereas prices received at the farm gate have risen only two and a half times. It is not price rises that are the problem so much as the increases in production caused by technological developments. In real terms, prices have fallen.

Mr. Marlow: My hon. Friend has a point. There is a mixture of factors. If price rises had not been so great, some of the product would not have been produced, there would not have been the storage costs, and the cost to the CAP would not have been so great, and we would not have had to have this sad debate.

Are the interests of the Community served by our agreeing to the payment of this money? We are told that it is a reimbursable advance, not a loan. When is a loan

[Mr. Marlow]

not a reimbursable advance, and when is a reimbursable advance not a loan? As my right hon. Friend the Member for Worthing has said, that is a question of semantics. I understand that the advance is due to be repaid in eight tranches, beginning, I believe, next July. No interest is payable on it. Perhaps that is the answer to the question. Perhaps the difference between a loan and a reimbursable advance is that one pays interest on one but not on the other. I can see no other difference. When the time comes for the reimbursable advance to be repaid, it will not be repaid. There will be another reimbursable advance to pay for it. The system is quite straightforward. It is easy to understand.

The Government say that, before they agreed to this measure, there was to be a very important condition precedent. It was that the Community should instil financial disciplines. We have heard about the financial disciplines. We have heard how the framework can be changed by majority voting. We have heard how certain things can be voted through in exceptional circumstances. Many hon. Members believe that exceptional circumstances always apply in the Community. We therefore believe that there will be no financial discipline.

I appreciate the problems and the difficulties of the Government. However, in the end, one has to ask oneself, "If we vote for this increase in funds for the Community tonight, is it more or less likely that there will be financial discipline?" I believe that if we vote against the payment of the money, what we want and what the Government want—proper, prudent, efficient financial management in the Community—will come about, whereas if we let the money go through we can say goodbye to it.

8.25 pm

Mr. Teddy Taylor (Southend, East): Irrespective of our views on the motion, we should all be grateful to Mr. Oliver Smedley. Had it not been for his initiative, we would probably have discussed the order for one and a half hours, beginning at 10.30 or 11 pm. It is appropriate that we should have more time to debate it because—as has been said time and again — this is a matter of constitutional significance.

Treasury Ministers constantly try to find ways to avoid paying out money. That being so, the present situation is astonishing. Treasury Ministers seem to be looking for any possible device, legal or otherwise, to pay this money over as quickly as possible.

My hon. Friend the Member for Northampton, North (Mr. Marlow) asked what the difference was between a loan and a reimbursable advance. There is a very important difference. My right hon. Friend the Prime Minister herself, speaking in the House, has said that a loan would be illegal under the terms of the treaty of Rome. She said that, within the EEC,

"it is not right to raise loans for budgetary purposes".—[*Official Report*, 27 June 1984; Vol. 62, c. 1003.]

The only effective difference between a reimbursable advance and a loan is that, as the Prime Minister has said, a loan would be illegal.

The Government are well aware that we have stretched the law significantly to make this payment, but, even if it were claimed that we had not stretched the law, we would have certainly stretched parliamentary precedent. No one knows under which law the payment is authorised. I believe that my hon. Friend the Minister is well aware that there is no law that justifies the payment. The Government have decided that, in the absence of a law to justify the payment, there must be a Supplementary Estimate.

Throughout the history of the House of Commons, it has been only in genuine emergencies that Governments have resorted to Supplementary Estimates without legal backing. There is no emergency here. We have all known for over a year that some such situation would arise. We are therefore creating a major precedent, and I think that that should worry us.

We have an opportunity today to decide whether or not to give an extra £119 million to the EEC. We have no statutory obligation to do so. Do we wish to give even more money to the EEC?

The House of Commons often talks in terms of millions or billions of pounds. We should remember that £119 million is a lot of money. It could provide 6 million pensioners who receive heating allowances with an extra £20 each to help with fuel bills. It could be used to give the family of every unemployed man an extra £40 to help with expenses. The Government are telling the EEC, "If you spend more money, we will foot the bill." Can that be squared with their other policies?

Southend borough council is one of the most prudent local authorities in Britain. About three months ago, when its money began to run out, it stopped paying improvement grants. I am sure that many local authorities could tell the same story. When the money began to run out and they drew close to the limit set or advised by the Government, they decided to stop essential spending.

Southend health authority is under-funded within the region. Because it is reaching the limit set by the Government, the health authority is obliged to consider whether to close hospital wards.

I entirely accept that, in the national interest, we should control public expenditure. If Departments overspend, we must tell them to stop. If local authorities or health authorities overspend, we must tell them to stop. Horrible choices have to be made and essential services curtailed. As Conservatives—supporters of the Government—we can bear the situation so long as there is consistency. But how can I tell my health authority to close wards, tell Southend council to stop paying improvement grants, or tell Government Departments to stop providing essential services if the Government are telling the Common Market at the same time that if it spends more money they will pass a special resolution in the House of Commons?

What can I tell Southend health authority or the local council about how the EEC is to spend the money? We heard the other day that some £14 million had been lost in the Community accounts. An article in this month's *Accountancy Age* shows that the accounts of the EEC are absolutely crazy. Money simply disappears and no one can account for it.

We are also well aware that substantial sums of money are being paid out to the Mafia for the produce of non-existent farms and for the destruction of non-existent tomatoes. That has gone on year after year and there is no incentive for anyone to do anything about it because Common Market funds are paid out by national Governments. Under existing procedures, nothing can be done about that except through special reports of that splendid body the Court of Auditors, which brings up such issues from time to time. Even if I tell the Southend health authority to forget about the money being paid to the Mafia

and the money that is lost, my hon. Friend the Minister knows that, under the Common Market's regular spending, the vast proportion of the cash goes simply on dumping food, Russia and Eastern Europe being among the major beneficiaries.

We know that about two thirds of Common Market spending goes on agriculture and that more than half of that goes on dumping, destroying or storing food surpluses. The quantities are not small. We sent the Soviet Union alone 157,000 tonnes of food every week last year, and at the most crazy prices. While we have to pay a substantial price for beef, we sell it to the Russians at 40p a pound. We sell them also sugar at 5p a pound and wine at the unbelievable price of 7p a litre. That is where the money is going. I suggest, with all due respect to the Government, that, although we appreciate that such Common Market nonsenses have gone on for years, it is appalling to present this type of measure to the House when almost every public authority in Britain is having to cut services because they are told to by the Government. They are told that there is no alternative but to budget and that that is in the national interest, even if it means cutting essential services. We cannot have two standards—one for the Common Market and another for ourselves.

In justification, the Government have said that things will be different, that if only we vote this extra money and support the increase in own resources, things will change and there will be tough budgetary discipline. Most of us have a great admiration for my hon. Friend the Economic Secretary to the Treasury but, no matter how much we try to kid ourselves, we know in our heart of hearts that the budgetary restraint mechanism is bogus. It is a load of rubbish and I do not believe that anyone has been taken in by it. Other members of the Common Market certainly have not. They know exactly what the score is. They are prepared to say anything to get the extra cash but, when it comes to operating the restraint, nothing happens.

We should examine what has been proposed for agriculture. This year, there has been horrendous overspending and the mountains have grown higher than ever before. The Common Market is planning under the Fontainebleau mechanism not a cut in expenditure but a further increase. Under the budgetary mechanism, even if it worked, agricultural spending for future years is to be based on actual spending in 1984 and 1985, plus a percentage to take account of the increase in the Common Market's own resources. Even if the scheme works, we are still to pour more and more money into surplus agriculture.

I can well understand the hon. Member for Cynon Valley (Mrs. Clwyd)—who popped in for a second, made a speech and popped out again—talking about the coal industry. She feels, rightly, aggrieved. If we have this arrangement for agriculture, why should we not do the same for coal? Why should we not keep all the pits open, guarantee a price three times higher than the present one, employ every miner and give him a guaranteed amount of money?

One of our problems in getting the Conservative party to adopt a sensible attitude towards the Common Market is the Labour party's opposition to it. I cannot understand why the Labour party has been against the Common Market. Surely it is the answer to a Socialist dream—lots of intervention, lots of subsidies, lots of guarantees and lots of social funds. If I were a Socialist I should be strongly in favour of the Common Market. If we get more little ladies like the hon. Member for Cynon Valley who pop in, say that, as a Socialist, they like the Common Market, and then pop out again, it will become even more respectable for Conservatives to stand firm in opposition to it.

Mr. Marlow: The Commission, which is a bunch of bureaucrats, initiates policy. If a bunch of bureaucrats initiates policy, we get Socialist and interventionist policy.

Mr. Taylor: My hon. Friend is telling us what will happen, and it is very sad.

Even if I thought that there was some merit in the Government's proposals, we now have the only chance that we shall ever have of getting changes in the Common Market and the CAP. Sadly, I doubt whether the Government even want changes in the CAP. We hear about the changes that they would like and about reforms, but a structure setting out how agriculture might be changed is never put before the House. Promoting the reform of the CAP will involve substantial battles and some difficult decisions. It will be difficult to deal in a small way with agriculture, just as we are trying to do with Mr. Scargill and his hooligans in the coal industry.

If there were any merit in what the Government want to do and if they had some determination to do it, there might have been a minor move in regard to the scandal that upsets people in Selly Oak as much as people in Southend—the fact that agriculture is the only industry in Britain that does not pay rates. There was talk, for a very short time, of the Government doing something about that. After much pressure, my right hon. Friend the Prime Minister announced that the Government had decided not even to consider the problem.

If we accept the Supplementary Estimate and an increase in own resources, we shall throw away our only opportunity to get reforms in the EEC structure. If we throw away this opportunity we shall be condemned by the people of Britain and by future generations. I know many people who genuinely supported our membership of the EEC and who said that they knew that there was much wrong with it but that we should wait until we got a seat at the table and a chance to do something. They said that there would then be changes, but there have been none. We have had no reform because nothing can be done without unanimous agreement. When that prospect was abandoned, we were told that we should wait until the Common Market ran out of money, as we would then have a chance to do something. That time has now come. If we throw it away, we shall throw good money after bad and lose our only chance of achieving Common Market reform.

I am delighted to see my hon. Friend the Under-Secretary of State for Employment nodding. There is a great deal of quiet support on the Front Bench, but we never hear about it. Some day we must take our courage in our hands, even if it means offending a few cereal farmers. Reform will ultimately be in their best interests as well. We must take courage, stand firm and tell the Common Market, just as we tell the Southend borough council, the Southend health authority, the Department of Employment and others, that it must have a budget and keep to it and that it will not get one penny more unless it changes its spendthrift ways. That must be the House's message. I hope that that message will be approved by a majority.

8.38 pm

Mr. Richard Body (Holland with Boston): Needless to say, I agree with every syllable that the House has heard from my hon. Friend the Member for Southend, East (Mr. Taylor). I am glad of the opportunity to pay tribute to Mr. Oliver Smedley, as we should not be debating this matter now if it were not for the legal proceedings that he instituted in the High Court, took to the Court of Appeal and now proposes to take to the House of Lords. I hope that he will not mind my saying, without getting too sentimental, that he is an old-age pensioner. He has only limited capital, but he has been ready to risk it all. I hope that he will be regarded as someone who has championed our liberties. Perhaps those who have to make the decision about costs will bear that in mind when the time comes.

We are here only because the cost of the CAP goes up year after year. I am saddened by the fact that this everlasting increase in the cost of the CAP is doing nothing for the good name of agriculture. As the cost of the CAP goes up, so the number of farmers goes down. When the CAP began, there were 20 million farmers in the Community, but the number has now fallen to 10 million. If people assert that the purpose of the CAP is to keep small and inefficient peasants on the land, or whatever phrase they may choose, that is a gross mistake. The profits are being garnered by those who have the largest number of acres. In our country, every year since the CAP began, some 3,000 to 4,000 farmers have left the land. That is 3,000 to 4,000 more families who are no longer supported by agriculture. That is true of the Common Market as well.

My hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) spoke admirably, and I apologise if I interrupted him with so many "Hear, hears". He was right to identify where the money is going. It is supporting not farmers, but landowners. One can relate the amount of price support money to the inflation of land values. Since we began the system of price support, about £64,000 million of public money has allegedly gone towards agriculture. However, land values have gone up in real terms by almost exactly the same amount. What has happened in the United Kingdom has been matched throughout the Community.

We are not supporting farming. How can we be supporting farming through the CAP when so many farmers are going out of business? We are inflating land values everywhere in the Community. However, every time we vote more money towards the CAP—and no country is voting more money than the United Kingdom —we do it to support not farmers, but landowners.

It is time that the message got through to those who are, after all, the paymasters of the system. The Government Front Bench has it within its power to put this right. It is time that we reminded ourselves that we are, with West Germany, one of the two paymasters of the CAP. In pouring this money out as we are, we are doing no service to agriculture but only to those who have the good fortune —I am one of them—to own land. We see the assets that we own going up and up in value.

It is time that we realised that we have, at some stage, to decide whether we are in earnest about reforming the CAP. We can decide it tonight, later this spring when we have further legislation, at some later stage this year or at some other stage. However, we must decide whether we will exercise the powers that we have as paymasters of the system and put it right. We have only to say that we shall not go on paying out more and more money to support allegedly fewer and fewer farmers.

Mr. Alfred Morris (Manchester, Wythenshawe): The hon. Gentleman has spoken of how well landowners have done under the CAP. Is not another result of the CAP that we can scarcely any longer speak of one agricultural community in this country, and that such are the sharply contrasting fortunes of arable and livestock farmers that we now hear of the two agricultural communities in Britain? Is that not another serious implication of the CAP?

Mr. Body: The right hon. Gentleman's intervention is music to my ears, because that is precisely the position. The beneficiaries of the CAP are, broadly speaking, the cereal farmers. The greatest exodus of farmers is to be found among the livestock producers. Of the 3,000 or so farmers who go out of business every year, the overwhelming majority are livestock producers. It is they who are consumers of the cereals. If we artificially inflate the price of cereals by imports levies and so on, forcing up the price of wheat or barley to 30 or 40 per cent. more than it should be, that extra cost has to be borne by the livestock producers. In effect, it is a tax on them, and one of the reasons why so many of them have been put at risk in recent years and why so many of them have gone out of business.

I am grateful to the right hon. Gentleman for having raised that point because it underlines my argument that we are not, despite what my hon. Friend the Member for Southampton, Test (Mr. Hill) said earlier, supporting farmers. If we were, there would be more, not fewer, farmers in business. It is time that we recognised that fact.

I hope that the time has now come for the Government to decide whether they are in earnest in their resolve to reform the CAP. If they allow it to carry on, so be it. We shall go on voting the money year after year. However, the Government have the power to say no. The House has the power to say no, and I hope that tonight we shall say that the time has come for this process to stop. We must show that we are in earnest. For that reason, I shall not be supporting the motion.

8.47 pm

Mr. Neil Hamilton (Tatton): This debate has shown the House of Commons at its best, and those who have protracted the proceedings beyond the time that the usual channels expected have no need to apologise for what they have done. It enables the country to reduce its net contribution to the Community by enabling other hon. Members who have been outside the Chamber throughout the debate to eat more of the surpluses.

One of the more peculiar characteristics of this debate has been the way in which the Whips have operated. I am accustomed to Government Whips sidling up to me at some stage in a debate and asking me to curtail my remarks or forgo them altogether. However, I find it astonishing when the Government Whips are joined by Opposition Whips embarking on the same errand. The hon. Member for Glasgow, Cathcart (Mr. Maxton) has been most assiduous in his attempts to persuade hon. Members not to continue at as great a length as they might otherwise do. I do not know whether that is because he has certain fears about reselection in his party and that we can expect to see him on the Conservative Benches in due course.

A characteristic of debates on the Common Market is how few speeches are in favour of the Government's position. The debates are entirely dominated, on both sides of the House, by critics of the Community. That may not be surprising in view of the difficulties that advocates of the Community face—difficulties that arise out of the untenability of the position that they are advocating.

The hon. Member for Thurrock (Dr. McDonald) opened for the Opposition. Her speech can perhaps best be described as entrancing—not in the sense that it was transfixing, but more that it was numbing. I am sure that my hon. Friend the Member for Mid-Worcestershire (Mr. Forth), during the contributions from the Opposition Benches, was more than once reminded of his previous manifestation in the European Assembly, particularly during the remarks addressed to us for 21 minutes, read word for word, by the hon. Member for Cynon Valley (Mrs. Clwyd), who appeared for three minutes at the beginning of the debate, for the 21 minutes of her own speech, and who has not been seen since.

Mr. Foulkes: I can take the insult to my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton), although I assure the hon. Member for Tatton (Mr. Hamilton) that I am reliably informed that my hon. Friend does not have the kind of problems that the hon. Gentleman would wish upon him. When it comes to insulting two ladies, neither of whom is present in the House for only a short time——

Mrs. Kellett-Bowman: They should be here.

Mr. Foulkes: The hon. Member for Lancaster (Mrs. Kellett-Bowman) has, thankfully, been away for most of the debate. I hope the hon. Member for Tatton will get on with the substance of the debate.

Mr. Hamilton: We seem to have stung the Opposition into some response. Perhaps I can add injury to insult and point out that if the Chancellor is proposing in his next Budget to introduce VAT on speeches the efforts of the two hon. Ladies should be zero-rated.

It is a characteristic of this Parliament that the Opposition are ineffective. Having sat through 157 hours of Committee on the Finance Act 1984 and seen how little was achieved by the Opposition during that protracted proceeding, I have come to realise that that is what we can expect on every subject in almost every debate. Instead of being the watchdog of the constitution as Her Majesty's loyal Opposition, a little chihuahua has been buzzing around——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I hope the hon. Gentleman will come to the business that is before the House.

Mr. Hamilton: I move to the meat of my speech when I point out that perhaps one of the reasons for the apparent lack of interest shown in the debate is a result of the abandonment ultimately of sovereignty which formerly lay in Parliament. Before these proceedings were protracted, it was discreditable that two measures which emanated from an authority outside the House had been proposed for discussion. The country at large does not realise how the European Community has diminished the authority of the House and limited the power of the Government to control their expenditure. Regional policy is a good case in point. Effectively, the maintenance of regional policy has been dictated not by the merits or otherwise of that policy, but by the need to diminish the net contribution of this country to the European Community. The right hon. Member for South Down (Mr. Powell), in a devastating indictment of the constitutional impropriety that we have been invited this evening to support, pointed that out many times.

In an intervention in the speech of my hon. Friend the Economic Secretary to the Treasury I asked about the legality of this proceeding and referred to the provisions of article 199 of the treaty, which are designed to ensure that the Community budget is not overrun in any one year. It is impossible, within the terms of the treaty, to provide for such an overrun to be paid for. I pointed out that the treaty can only be amended under the provisions of article 236, which would require an ancillary treaty—a course of action that the Government do not propose to adopt.

The constitutional basis of the loan, or whatever one may call it, has been raised in many speeches, and much fun has been had as to the nomenclature of this amount of money — whether a loan is equal to a reimbursable advance or whether it is a gift or a bequest. It cannot be a gift. It can only perhaps be a bequest. Let us hope that it is bequest in the form in which bequests are normally given—as a result of a last will and testament. Perhaps this is the last will and testament of the overspending Community, but I doubt it.

An alternative course of action might have been available to the Government. I shall be interested to hear whether I am on the right lines. Would it not have been possible for the Government to solve the problems which would have arisen in this country, in so far as they would have affected individuals who might otherwise have been expected to be paid out of the Community, by paying them separately? If this amount of money is voted through this evening, we shall have to subsidise others in the Community as well instead of confining the benefit of what we are proposing to people in our own country.

The reimbursement proposed is to come back to us from June 1986 onwards, although, like many other hon. Members, I doubt whether we shall ever see it. Certainly no interest is proposed on this so-called advance.

A question which we might properly ask, and which was asked by the Select Committee in its report, is whether the European Assembly will be involved in the reimbursement process. If it is, that will mean that yet another example of the way in which control of expenditure, on which the constitutional rights of the House have been built, has been taken out of our hands. The problem with which we are dealing derives entirely from the control of public expenditure. My right hon. Friend the Member for Worthing (Mr. Higgins) and others referred in their speeches to the battles that the Government have had on public spending in recent weeks. The argument has been whether tax cuts or further public expenditure will go to reducing unemployment. What is certain is that encouraging expenditure not in this country but elsewhere in the Community will be extremely ineffective in reducing unemployment here.

Budgetary discipline in terms of the European Community is almost a contradiction in terms. The result of accepting what is proposed, following on from the negotiations that the Government have carried out in the Community, is that we shall, of course, pay less than we would have done had there not been agreement, but the net contribution that the Government will provide to the Community will be greater than it has been in recent years. Therefore, let nobody think that as a result of the

[Mr. Hamilton]

agreement in the Community we shall be reducing public expenditure in the long term. Public expenditure in the Community will rise inexorably because there are no effective controls proposed as part and parcel of the negotiations on agriculture spending. In 1986 and in the years following the maximum amount, which will also no doubt be the minimum amount, expendable on agriculture will be based on spending in 1984 and 1985—two years of record production and expenditure. In addition, there will be a percentage based on the increase in own resources which will accrue in years to come. Even that limit, inadequate as it is, may be exceeded if there are exceptional or aberrant cases. That may be done, not unanimously as was said erroneously by several hon. Members, but on a majority vote of the member states of the Community.

The advance is designed to be reimbursed to us by way of clawback, but that clawback is disregardable in special, undefined, circumstances. So we shall go on with this agricultural rake's progress, which, as was pointed out by my hon. Friend the Member for Holland with Boston (Mr. Body), benefits not the agriculture industry, but only those whose assets are tied up in land.

During 1984 we were spending £100 million per week storing, destroying and dumping surpluses and aiding the economies of those whom we are building up arms to oppose in the unlikely but possible event that we may be drawn into conflict with them in years to come. Agriculture expenditure will rise to meet the ceiling of expenditure which is allowable. That is the ineluctable law of the Community, because the rate of rise in agriculture spending will be in line with the own resources basis of the Community. It is a form of Parkinson's law. That is the opinion expressed by the Select Committee in its report on the Supplementary Estimates and in the report on the Fontainebleau summit some months ago. Paragraph 7 of the Seventh Report from the Select Committee on the Treasury and Civil Service reads:

> "However, on what is probably the key component of any lasting settlement, Budgetary control, little or no substantive progress was made on the position agreed at the Brussels Summit."

One of the reasons that is cited for requiring an increase in own resources in the Community is the possible accession of Spain and Portugal. It is certain that further irresistible demands will be placed upon the agriculture budget of the Community if either or both of those nations become member states. In addition to all the other mountains and lakes, we shall have mountains of tomatoes and lakes of olive oil and wine.

One of the most absurd arguments in favour of an increase in own resources to fund the admission of Spain and Portugal instead of requiring them to impose disciplines on their own spending on agriculture to benefit the rest of the Community is that it is necessary to do so to preserve democracy in those two countries. It is difficult to believe that allowing them to accede to an institution in which there is no effective control from an elected position, financial or otherwise, that can be converted into law will do anything to safeguard or promote democracy on the Iberian peninsula.

I can see no reason why we should abandon the one real control that we have over the growth or the reduction of waste in the Community—the ceiling on the expenditure which is available by way of own resources to the European Community.

I accept that the Government have tried during negotiations to get the best deal for Britain. I join those of my hon. Friends who have congratulated Ministers on the efforts that they have made to benefit Britain. Negotiation is a long, time-consuming and tedious process, and my right hon. and hon. Friends have had considerable success. In essence, diplomacy leads to compromise. That is the essence of that profession. It has brought certain problems for us in many parts of the world in years gone by, including more recent years. If compromise is inevitable in any diplomatic negotiations, it is all the more important for the House to take the final limit out of the hands of the Government and to impose a limit that they will be able to tell those who are pressurising them in the Community for more expenditure that they are unable to breach because the House will not stand for it.

It is not the degree of success that my right hon. and hon. Friends have enjoyed in the Community in negotiating on the size of Britain's budget contribution that matters. The principle that really matters is that of eradicating waste, not freezing in time or in aspic the degree of wasteful expenditure that now takes place. We shall reduce the wasteful expenditure by removing the basis of the problem which caused the need for a budget settlement to arise, not by reforming the budget settlement itself.

As the Government have not managed to remove the basis of the problem to any acceptable degree, I shall not be able to support them when the Division takes place. I invite my right hon. and hon. Friends to place upon the Government a limitation that they themselves seem unable to impose. Let us take the matter out of their hands so that the rest of the Community realises that they can go thus far and no farther.

9.3 pm

Mr. Hugh Dykes (Harrow, East): Bearing in mind the strictures that were applied to the hon. Member for Cynon Valley (Mrs. Clwyd) for coming into the Chamber rather briefly, making a speech and then disappearing, I must be careful. I think that my credentials are somewhat better than those of the hon. Lady because I have been in and out of the Chamber during the evening. At one stage when I wanted to listen to the comments of some of my hon. Friends I was called out of the Chamber. I hope that the House will accept my apologies. I thank you, Mr. Deputy Speaker, for allowing me to participate in the debate. In view of the circumstances, it behoves me to be brief and to make a spontaneous contribution as opposed to reading a carefully prepared handwritten text and delivering a tirade on the EEC, which has been the hallmark and characteristic of most of the speeches of my hon. Friends. I shall read them with great care when *Hansard* appears tomorrow. Once again, as always, the House gets bogged down in these speeches by a relatively small number of Members on both sides in their traditional, posturing outbursts about the fundamentals of membership. That is what it is usually all about, or it is to that that the comments end up referring in an unfortunate way.

I must concede, bearing in mind, for example, the notable contribution of the right hon. Member for South Down (Mr. Powell), that there is a strong argument for

establishing the important difference that even those who are keen adherents of our membership of the Community —and I am sure they have already indicated this in the debate — have at least some doubts about the actual procedures whereby the money is voted. There is, therefore, a substantial difference between those two points. There are the technical or constitutional — or both—objections to the modalities of the voting of this money, instead of having separate or secondary legislation or a proper order, and the more fundamental arguments about membership. That is why the latest speeches raking over the old arguments about the common agricultural policy do not take us any further.

I limit myself to making two or three brief points. First, since the matter has been dealt with in that fundamentalist way, I reiterate my own view, and what I detect to be the substantial view of the overwhelming majority of Members of the House, that there is powerful support for continuing membership, an enthusiasm about the terms and details of the Fontainebleau agreement and the document that was submitted to that gathering as the Government's testimony of their enthusiasm for the EEC and an expectant and optimistic anticipation at long last —and let us finally cease all those tedious delays—of real, solid developments in the Community.

I was very struck by the comments of my hon. Friend the Member for Southend, East (Mr. Taylor), who is no longer present. He said that the real trouble is that it always insists on unanimous voting and therefore the Community can never make proper decisions. I must not expect that he would agree, were he present, if I were to suggest that he, or perhaps other hon. Members who take a hostile view of the EEC, would also be shrilly complaining if the system of majority voting were adopted——

Mrs. Kellett-Bowman: Absolutely.

Mr. Dykes: —in greater measure, not only on the most important aspects of Community membership and collective decision-making, but on the lesser items as well. There would be a howl of protest and an expression of disgust, particularly from the Opposition Benches, at that idea. However, the majority voting enshrined in the Fontainebleau documents is the only way now to take the Community forward. Indeed, that means that all national parliaments of all the member states have to accept the existence of Community legislation and Community procedures.

What I thought was equally absurd, although not a contradiction in that sense—just an emotional outburst that revealed ignorance without any knowledge of the facts —was the comment made earlier by the hon. Member for Walthamstow (Mr. Deakins), who is no longer present. He said that he hoped that other national Parliaments would be as solicitous as we are about their financial control procedures and expenditure control procedures nationally and vis-à-vis the Community, but that of course was not the case because they were terrible foreigners and had no idea about parliamentary control, the exercise of genuine parliamentary democracy and real control over Government spending. What arrant rubbish and ignorant nonsense that is. There are those of us who want the country at long last to be an enthusiastic member of this international community which we joined years ago, and it is about time we settled down to it.

The hon. Gentleman probably has no idea of what happens in other Parliaments. It is chauvinistic rubbish to suggest that they have no proper control procedures and a gross insult to our friends and colleagues in the Bundestag and in the European Parliament who wish to develop these procedures and exercise greater control not only over their traditional share of the Community budget but over other areas of spending. It is particularly absurd for an Opposition Member to make that kind of comment —how heroic the House of Commons is, that hundreds of Members of the House are most concerned about this kind of thing and that it does not exist anywhere else— when, while he was addressing the House, there was a total of approximately 14 Members present in the House. What rubbish that kind of thing is.

Mr. Body: Is my hon. Friend suggesting that these proceedings would have taken place even if Mr. Oliver Smedley had not brought his case?

Mr. Dykes: I was making a somewhat different point about the expenditure control procedures of this House not necessarily being connected with a judicial procedure outside.

I believe that votes of this kind could be better handled in the future. I believe that many hon. Members accept that —for example, there was a great deal of support for the comments of my right hon. Friend the Member for Worthing (Mr. Higgins)—but that is not the same as saying that one is fundamentally hostile to membership of the Community. It is about time for this country, which prides itself on being a receptacle of progress and imaginative handling of international as well as domestic affairs, to accept that we are entitled, with apology to the Labour party, to be most enthusiastic about our membership of the Community.

9.10 pm

Mr. Eric Forth (Mid-Worcestershire): This debate gives us the opportunity to look back over the Community's expenditure control record but also to look forward. The question has been asked time and again why the EEC seems so incapable of exercising financial control over its own activities. I believe that the answer is relatively simple and that it provides the clue to the future. It may also provide a clue as to why so much disquiet has been expressed today.

There are two budgetary authorities in the EEC—the Council of Ministers and the European Parliament. Because each of the 10 member countries has different vested interests in different items of expenditure, in the Council of Ministers they all tend to support one another's favourite items, with the result that none of them, jointly or singly, can take any effective decisions on expenditure limitation. Such a one-way process can lead only to increased expenditure. That is compounded by the fact that, in the past few years, the European Parliament has sought other ways in which to increase the Community budget. Parliamentarians, too, have their own pet schemes and their own methods of spending other people's money ever more rapidly and, they would argue, more effectively.

The result is that the two authorities which in theory should be acting to control and regulate the budget manage in their different ways to increase Community expenditure. Put in the simplest terms, that is why the Community has proved incapable of controlling its

[Mr. Eric Forth]

expenditure in the past. It also provides the clue to the problem ahead, because neither of the factors that I have described is likely to change significantly.

The Government have asked us to accept that there is now a new feature—budgetary discipline. We have been offered a document which seeks to provide a procedure whereby the forces that I have described will somehow be curtailed. In fact, however, it does nothing of the kind. Perhaps the Minister will explain how a document containing patent loopholes can be an acceptable vehicle for budgetary control and discipline in the future. If there is one thing that we have all learned, it is that things are bad enough when a European Community document claims that it will achieve good things and then fails to do so but when such a document does not even claim to be doing anything particularly effective we are entitled to be more than usually suspicious.

The document before us refers frequently to "exceptional circumstances", "aberrant developments" and other delightful possibilities. Then there is the sheer nerve of the claim in one of the final provisions that the framework for discipline established can be altered if the discipline proves too onerous. How on earth can that ensure effective control of Community expenditure?

To tell us that somehow there will be a political will in the future which has not existed in the past is to ask us to suppose that the Council of Ministers will magically decide to alter this framework in the future and to suppose that the European Parliament—understandably, it is ever anxious to promote its powers and influence—will have a new vision of Europe under budgetary discipline. To ask us to expect that both those institutions will turn over a new leaf and have a new idea of a Europe under controlled financial provisions is to ask far too much. That would be bad enough. But another element will enter this equation making it impossible to control — the proposed enlargement of the Community, to which my hon. Friend the Member for Tatton (Mr. Hamilton) referred.

Another aspect is even more worrying than the fact that, legitimately, the proposed new member states — Spain and Portugal — will add to the existing problem of agricultural surpluses. They will do that even on existing levels of production and with existing products. What will happen when the Spaniards persuade us to give some of the Community's money for irrigating their agricultural areas to increase output? That will be bad enough, but what will happen when the EEC's economic and political balance alters? The resulting problems are, as yet, unforeseen and little discussed in the context of enlargement.

When Spain and Portugal enter the Community, there will be a potential realignment in Europe, giving rise to the possibility of Greece, Italy, Spain, Portugal and, if it suits her, France lining up to demand the shifting of available resources from the traditional recipients of agricultural support, the northern countries—which have received support for cereal and milk production—to the south. Spain and Portugal are poorer countries and will have a strong claim. They will demand that we give additional support to their products.

That same demand will be made in the context of regional and social policies and the many other policies that hon. Members have claimed benefit the United Kingdom. Let us not suppose for one moment that the relatively poorer countries, such as Spain and Portugal, will allow the United Kingdom to continue to receive its present share of regional and social fund money. The real costs of enlargement of the Community are potentially enormous. There will be the cost of shifting the moneys now available to the Community away from the United Kingdom. Britain's claims on the money available from the common agricultural policy have been small enough, but, inevitably, money available under the CAP and from the regional and social funds will move from Britain.

However much the rationale behind the enlargement of the Community is based on grand arguments about the defence of democracy and the strengthening of the West, when it comes down to the reality of the budget of the enlarged Community, resources will move inevitably from the north to the new south of the enlarged EEC.

We should look not only at the temporary stop-gap unnecessary expenditure which has been suggested but at the question that will be posed later this year, after the completion of the enlargement negotiations. We will be asked to agree further resources for the EEC. That question must be seen in the context of the viability of the budgetary discipline document about which we have had as yet little satisfactory explanation. We must consider the problems caused by the enlargement of the Community and the failure of the Community to have the political will to control its expenditure.

I hope sincerely that the House will be given ample opportunities to discuss the proposed enlargement of the Community in its full context in the light of the important budgetary effects which will influence not only the United Kingdom in the long term but the EEC's shape, viability and direction. We have not yet been asked to consider those matters. We have been asked to consider merely the tip of a large iceberg. I hope that on another occasion the House will seriously consider these fundamentals of the future of Europe.

9.20 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Perhaps unexpectedly, this has been a wide-ranging debate, thanks to—in their different ways—the right hon. Member for South Down (Mr. Powell), my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) and Mr. Speaker. I must tell the right hon. Member for South Down that we do not in any way object to such a wide-ranging debate.

The hon. Member for Harrow, East (Mr. Dykes) did not have the opportunity to hear a great deal of the debate. If he had, he would have been surprised on a number of occasions by the lack of posturing by hon. Members. Perhaps the most telling criticism of what the Government are doing came from those who are basically in favour of the European Community. That makes them all the more——

Mr. Dykes: Dangerous.

Mr. Foulkes: The hon. Gentleman will find out when he reads *Hansard* tomorrow.

It is clear that most hon. Members did not want this debate, as the hon. Member for Tatton (Mr. Hamilton) rightly said in one of the more lucid and unobjectionable parts of his speech. In some ways it must be an unexpected debate for hon. Members who were in the House on 27 June 1984—and this has been referred to already—when the Prime Minister said:

"article 199 of the treaty provides that the revenue and expenditure shown in the budget shall be in balance, so it is not right to raise loans for budgetary purposes . . . I believe that methods other than loans will have to be found to bring the budget into balance, because it is contrary to the treaty to have a deficit on the budget, and that must be taken into account in any proposal."—[*Official Report*, 27 June 1984; Vol. 62, c. 1003.]

I suspect that the Minister will try to argue that what we call the reimbursable advances are not loans. But as hon Member after hon. Member has said, that is a semantic point. They are loans by any other name; they are loans in every essence. Therefore, what the Prime Minister said on 27 June has been proved to be wholly incorrect.

I can, therefore, understand the nightmares of the Economic Secretary who, in a rare moment of confession to the Select Committee, said:

"In the middle of the night on two occasions I found myself thinking how should I explain these proposals to the House of Commons."

As we have seen, he has had great difficulty in explaining them.

There has been a U-turn from what the Prime Minister said in June. The whole basis is being questioned. Conservative Members have even gone as far as saying that it could well be an illegal budget. One hon. Member said that, if the Government took one attitude towards the illegal budget of Liverpool, they should not take a different attitude towards the Community.

Having about-turned on the principle, the Government have also about-turned on the procedure. That is peculiar because of the evidence given to the Joint Committee on Statutory Instruments by Mr. Fitchew from the Treasury who argued strongly and eloquently—as the right hon. Member for Worthing (Mr. Higgins) can testify—against the procedure currently before us. He said:

"So far as the consolidated fund bill route is concerned, the convention, as I understand it, is that the special consolidated fund bill itself would not be debated. The supplementary estimate can be debated . . ."—

we are debating it now—

"at the cost of preventing other estimates being debated, because the days available in the Parliamentary year for debating estimates are limited."

Mr. Fitchew also argued against the current procedure because there would be no reference to the House of Lords.

I should like to put on record both my thanks and those of my hon. Friends to the Select Committee on the Treasury and the Civil Service for producing its third report so quickly. The Select Committee expresses disquiet at the way in which this matter has been brought before the House.

I should also like to put what we are considering into a slightly wider perspective. Although she was perfectly in order, I shall not go quite so far as my hon. Friend the Member for Cynon Valley, but it is true that the finances of the Community are in a shambles. There is no better word for it. My hon. Friend has participated eloquently in many of these debates and has pointed out on many occasions the shambolic nature of Community finances.

However, one does not need to take my word for it. One can take the word of the new chairman of the Council of Finance Ministers, Signor Andreotti, who has admitted that as yet there is no agreement between the Council and the Parliament on the 1985 budget. Signor Andreotti says that there is no agreement on budgetary discipline. He is quoted in the *Financial Times* as pinning his hopes on "guiding the EEC out of its budget crisis—it has no budget for 1985—on a quick end to the enlargement negotiations with Spain and Portugal."

He is anticipating by a couple of months the entry into force of the decision on the increase in revenue from VAT. Therefore, it is to be expected that the increase in own resources from VAT that we as a Parliament are to be asked to approve will come into force some months before agreement is reached.

Signor Andreotti went on to say:

"But West Germany ties increased contributions to the EEC with the fact of enlargement, scheduled for January 1, 1986. Signor Andreotti wants an end to the enlargement negotiations during the spring and then a rapid ratification by national parliaments of Spanish and Portuguese accession."

Assuming that there is to be an end in the late spring to the negotiations over the accession of Spain and Portugal, ratification will then be rushed through the House of Commons. The increase in own resources from VAT will then have to be rushed through the House of Commons.

If the right hon. Member for South Down is concerned about the procedures that have been adopted so far relating to the Supplementary Estimate, perhaps I may quote what was said by somebody on the other side of the Atlantic. If what is anticipated by Signor Andreotti comes to fruition, "You ain't seen nothing yet". The result will be that more and more measures of this kind will be rushed through the House of Commons.

We oppose the loan for two main reasons. The main condition which the Government have set themselves for the payment of the loan—for that is what it is—has not been fulfilled. It was a question not just of budgetary discipline but of budgetary discipline being guaranteed. That is not a word which we on this side of the House take lightly. I hope it is not a word that the Minister of State who is to reply takes lightly. As was said by the hon. Member for Wolverhampton, South-West (Mr. Budgen) in his questions during the proceedings in the Select Committee on the Treasury and Civil Service—it is reported in detail in the first report of the Select Committee on the Treasury and Civil Service—we have given up two powerfull vetoes: the veto on overspending, and the veto on the increase in own resources.

What do we have in return? We have the illusion of budgetary discipline. There is no regulation to enforce it. It is not legally binding because, as several hon. Members have said, agriculture expenditure is demand-led and therefore uncontrollable. I hope that the Minister will say what he or his right hon. and hon. Friends in the Treasury will do about meeting the Agriculture Ministers to ensure that the farm price review does not get out of control, because that is a crucial element. Although one Conservative Member said that it is not just prices but the level of production that matters, certainly price is an essential and important element. I hope that there will be some sign that the Government will use the opportunity of a joint meeting between Finance and Agriculture Ministers to make sure that the Agriculture Ministers are controlled. Once they fall under the influence of the farming lobby they tend to get a little out of control.

We have also heard that the budgetary discipline is an illusion because it requires only a qualified majority to alter it. We know that it is an illusion because of what other people say about it. Even Michel Rocard—for those who do not attend these debates I point out that he is the French Agriculture Minister—said:

[Mr. Foulkes]

"it allows sufficient flexibility for the continued operation of the CAP."

Rather more forcefully, *Agra Europe*, a well-known and influential journal in relation to what happens in Europe, has a headline "Budgetary discipline agreement 'valueless'." It goes on to say that it is

"not worth the paper it is written on."

The two major flaws that have been identified by several hon. Members on both sides of the House are the exceptional circumstances let-out and the qualified majority.

By far the most eloquent criticism of the illusory nature of the budgetary discipline appears in that well-known magazine *Farmers Weekly*, which has a headline:

"Nothing to fear in EEC formula."

That is a magazine for farmers, not for accountants or politicians. It says:

"Farmers have nothing to fear from the EEC budget discipline . . . it is so full of escape clauses . . . the ceiling has been set so high that by 1987, the year after Spain and Portugal become EEC members, the formula allows for an extra billion ecu . . . to be spent on farm support."

It finishes by saying:

"When Spain and Portugal join the EEC in 1986 there will be a stronger majority of countries benefiting from the CAP, with the ability to out-vote the 'payers', Britain and Germany, if they object to spending increases."

What could be a more eloquent testimony to the illusory nature of budgetary discipline? The Government have clearly failed on their own criteria.

We oppose the proposal for another reason which has been mentioned by several hon. Members, particularly the hon. Member for Southend, East (Mr. Taylor). It relates to the fact that spending is about priorities. We are talking about spending priorities in this context both at home, which the hon. Gentleman touched on, and in Europe. Cut after cut at home has been referred to this evening, not by Labour Members — the normal complainers about Government cuts—but by Conservative Members who are becoming increasingly worried. We have heard about the anxiety about cuts in student grants. There has been only a mild amelioration on that. We have heard complaints about the cuts in overseas aid, in the external services of the BBC, and in heating support for old-age pensioners. Hundreds of thousands of pensioners are now getting up to £1 a week less in their heating support. We have also heard about cuts in the regional support grant.

It appears that only two areas are exempt from Government controls. One is fortress Falklands, which I hope to speak about on many future occasions, and the other is the European Community, especially the CAP. We need to say to the EC that the CAP, which is effectively a bottomless pit, is not acceptable because the Government do not have a bottomless purse, and because we have other priorities on which we wish to expend resources.

The matter also concerns priorities within the EC budget. The draft budget of the EC for 1985 shows an increase in agricultural spending, from 67 per cent. to 74 per cent. of the budget and further proposed increases, not the guaranteed controls, about which the Government assure us. The social fund is the Community's main weapon against unemployment, yet it gets a measly 5 per cent. of the budget, although we know from our experience, the Community and the EC annual report that unemployment is increasing. In 1978 unemployment in the Community as a whole stood at 5·5 per cent. Now it stands at 11·5 per cent. Hon. Members on both sides of the House have expressed anxiety about the effect of unemployment on young people. In the under-25 age group unemployment has increased from 13·5 per cent. to 24·5 per cent.

Mr. Marlow: Would the hon. Gentleman like more money to be spent through the European social fund? If so, why does he believe that money which is sent to Brussels and returned to us is more efficiently used than money which we decide to spend directly?

Mr. Foulkes: That is a good point. It relates to the question of Community spending versus domestic spending. The irony is that at present the Government are so reluctant to spend money from their domestic budget on employment programmes that the Community is one of the few areas from which we are getting money.

I turn to the matter of instilling confidence in our young people. Mr. Delors, the new President of the Commission and former French Finance Minister, recently addressed the European Parliament in Strasbourg about pulling down the frontiers of Europe. He said of young people:

"Pulling down the frontiers will not convince them of our resolve to do away with massive unemployment. Here, too, the credibility of the European venture is at stake".

It is at stake. Unless we encourage the Community to switch priorities from the uncontrollable expenditure of the CAP to such areas, young people will lose confidence in the EC and in the politicians who lead it.

I now come to the point raised by my hon. Friend the Member for Cynon Valley. The areas scheduled for cuts in the EC budget are areas which my right hon. and hon. Friends wish to see expanded—for example, transport, energy, science and technology, research, industry, information and innovation. The Community should spend more money on them.

We wish to see expenditure on overseas aid to be given higher priority. We heard from the Prime Minister—it was echoed by other members of the Government—a great fanfare of trumpets about the fact that the decision made at the meeting of the Heads of Government in Dublin would result in 1·2 million tonnes of cereal being sent to African countries, especially Ethiopia. That is a miserable amount when one considers that there are 12 million tonnes of cereals in intervention. It is even more disgraceful when one discovers, from answers to several questions that I put to Ministers, that although the decision was taken on 4 December and was trumpeted by the Prime Minister and others, and although we would have expected a sustantial amount of the 1·2 million tonnes to be on its way to feed the starving people of Africa, only 13,000 tonnes of grain have arrived there. It is about time that the Minister and his colleagues got the bloated bureaucrats of Brussels off their behinds in the Berlaymont and got the grain to the countries in Africa.

I urge my hon. Friends and Conservative Members to vote against the Supplementary Estimate. They should vote against it because of its doubtful legality, because of the doubtful precedent that it creates, because it represents the wrong spending priorities at home and in Europe, and, above all, because there is no guarantee of budgetary discipline. Some Conservative Members may be thinking of waiting until we have the debate on the increase in own resources before rebelling against the Government. I urge them not to wait, because there are already great dangers that that decision will be pre-empted. We know that £165

million has already been advanced in own resources, and we now have this loan of £120 million. The time to tell the EC "Enough is enough" is now.

9.42 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): I listened with great interest to the speech of the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). I and my hon. Friends noted with interest the announcement yesterday that the Labour party — Her Majesty's Opposition — attach such enormous importance to Community issues that they have decided to disband their shadow EC team. The hon. Member for Livingston (Mr. Cook) will go to greener pastures. When the hon. Member for Livingston was appointed, we were told that he was to mastermind the campaign for the European Parliament elections. His new appointment is to mastermind the Labour party's next general election campaign. I would say only that, recollecting that his efforts before the European elections resulted in the Labour party losing that election and coming second, I hope that he has equal success in his new appointment.

Mr. Foulkes: Perhaps I may correct the Minister on two points. There is still a European team, represented by my hon. Friend the Member for Hamilton (Mr. Robertson) and myself, in the shadow foreign affairs team. Therefore, with no disrespect to my hon. Friend, the team is as strong as ever. Our aim in the next general election is to do what we did in the European election — [HON. MEMBERS: "Lose."] No. It is to double our representation in this Parliament, as we doubled it in the European Parliament.

Mr. Rifkind: I have known the hon. Gentleman for many years, and I note that his modesty is as strong as ever. Indeed, we all hope that the Labour party's results in the general election are similar to those in the European election.

The hon. Member for Thurrock (Dr. McDonald) asked whether and, if so, what proportion of the money would be spent in the United Kingdom. Our best estimate is about 50 per cent., through agricultural, regional fund and social fund expenditure. Several hon. Members, especially my right hon. Friend the Member for Worthing (Mr. Higgins) and, in a somewhat flamboyant way, the hon. Member for Carrick, Cumnock and Doon Valley, asked whether the money would be a loan or an advance and what was the difference between the two. I do not argue that there is any significance between the two, and that is the basis of the point that is really at issue; it is not relevant whether we describe this as a loan or an advance.

The point to which the Prime Minister was referring in June was whether it was competent under the treaty, and in particular under article 235 of it, to use the mechanics of the treaty to provide for loans, given that the treaty does not permit deficit financing. Because we believed that it would create a highly undesirable precedent to allow the treaty in its present form to be used, in effect, to produce a loan that would allow deficit financing to take place, the British Government, along with other Governments, insisted that if there was to be any accommodation of this extra expenditure it could not be under the treaty but had to be outside the treaty through an intergovernmental agreement. For that reason, the agreement reached is an intergovernmental agreement and not one under the terms of the treaty.

My right hon. Friend the Member for Worthing then asked, in relation to the procedure that the Government have adopted, why, when the matter had been considered by the court and by the Court of Appeal in the case brought by Mr. Smedley, the Government did not decide to take the matter to the House of Lords. The simple answer is that we won in both earlier courts and that it is not for the party that wins to take the matter to the House of Lords.

Several hon. Members, notably the right hon. Member for South Down (Mr. Powell), asked why, having won, the Government did not continue to use the Order-in-Council procedure and why the matter was before the House in the form of a Supplementary Estimate. When the court considered the Order-in-Council procedure under the action brought by Mr. Smedley, it found in the Government's favour. Had we been able to have these matters considered during 1984, it was our intention to use the Order-in-Council procedure.

Because the intergovernmental agreement refers specifically to a commitment to introduce and agree these matters in 1984, we were concerned lest, if in 1985 we continued to use the same procedure, there would be a considerable possibility of further challenge. The Government have been extremely conscientious in desiring to avoid legal problems over the procedure they employ. For that reason, it was thought safer, and for the avoidance of doubt, to use the Supplementary Estimate procedure.

Mr. Marlow: We are talking about increasing our commitment to the Community by £120 million. I understood my hon. Friend to say that we would get about half of that back by way of the agriculture and social funds. In other words, we are talking about increasing our net contribution by £60 million. What shall we get in return for that? What is the bargain or benefit? Why should we agree to this expenditure?

Mr. Rifkind: I am first dealing with specific questions raised during the debate. Later I shall come to general points, including the proposition to which my hon. Friend refers.

I am in honour bound to respond to the hon. Member for Inverness, Nairn and Lochaber (Mr. Johnston), who complained that in the past the Minister replying to the debate had not even attempted to reply to him. His main point was about the 1985 draft budget and he wondered what would happen if it was not approved.

The European Parliament has chosen to refuse to approve that budget. Consequently, there is no budget in effect for the current year. Under the terms of the treaty, the provisional twelfths regime operates. Under that, the Community can spend no more than it spent in the equivalent month of the previous year. We are bound by that until the European Parliament agrees to a new budget, and the onus is on it if it wishes to see a more liberal procedure.

The official Opposition have a nerve. In his final remarks, the hon. Member for Carrick, Cumnock and Doon Valley said that the Labour party does not take budgetary discipline lightly, but there have been virtually no Labour Members present during the entire debate. Furthermore, when the House of Commons debated budgetary discipline on 11 December last year, and the Opposition had an opportunity to defy the House and to show the public exactly how they felt about the matter,

[Mr. Rifkind]

they did not divide the House. They refused to vote, and allowed the Government's motion to be approved without a Division. That was an extraordinary response by an Opposition who claim to believe seriously in budgetary discipline.

Could the Opposition also kindly explain to the House and to the country why, under the last Labour Government, agriculture expenditure in the Community increased each year by an average not of 5 or 10 per cent. but of not less than 28 per cent? That was the record of the Labour Government when they had to deal with these matters.

Under the present Government, the average increase in agriculture expenditure has been reduced to 11 per cent. On the proposals likely to be put before the Community in the next few weeks, an increase of 5 per cent. is expected. That is a dramatic improvement. It is not as great an improvement as we or the people of Britain would like but it shows significant progress in the direction that the House has called for for many years and to which Her Majesty's Government are committed.

As the last Labour Government presided over annual increases of not less than 28 per cent., I am not prepared to hear Opposition Members say that they are concerned about the matter and that they would be effective in dealing with problems.

Mr. Spearing: The hon. Gentleman would not wish to mislead the House. Is it not true to say that all those years were during the transitional period, when prices rose and levies were increased as we entered the Community?

Mr. Rifkind: With respect, that is a different point. I am not now talking about Britain's net contribution or the question of a refund. I am talking about agriculture expenditure. There is no reason why such dramatic increases should have occurred if the Opposition, when in government, had been effective in dealing with these matters.

Criticisms have also been made by those hon. Members on both sides of the House who are basically opposed to British membership of the Community and do not wish the problems to be resolved in a harmonious and flexible way that would strengthen the Community. I do not say that all those who have made criticisms take that attitude. However, a number of my hon. Friends and Opposition Members are basically hostile to the Community. They would be delighted if the Community were to face a crisis, and hope that the United Kingdom would do nothing to help to resolve that crisis. Because the Government do not share such objectives, we cannot be expected to share such tactics. I shall therefore concentrate my remaining remarks on criticisms made by those hon. Members who take the view that membership of the Community is desirable but who, from that standpoint, wish for a major reform in the operation of Community finances.

Mr. Beaumont-Dark: My hon. Friend glosses over the problem of agriculture and proposes to turn his attention to those hon. Members who oppose membership. Could my hon. Friend answer the point made in *Farmers Weekly* that farmers have nothing to fear, because there are to be no changes that will not benefit them? Would not my hon. Friend agree that that is the great weakness and the great drain on the finances? If the farmers have nothing to fear, the rest of us have a great deal to fear.

Mr. Rifkind: There are different views on that point. [HON. MEMBERS: "Ah."] I can quote some views different from those expressed in *Farmers Weekly*. The German Finance Minister, Mr. Stoltenberg, says that

"We now have for the first time an effective instrument to bring about a sensible control of expenditure".

The French association of chambers of agriculture has described the budgetary discipline proposals as

"a real financial straitjacket for the CAP".

The Italian newspaper *Il Sole* referred to

"a complete change in the direction of the CAP".

Those quotations show that there is a different assessment.

My hon. Friend the Member for Nottingham, East (Mr. Knowles) made a most important point. He stressed what the Treasury and Civil Service Select Committee also stressed — the important factor in these budgetary discipline proposals is the position of countries that are, or are likely to become, net contributors. That is a fundamental change which is taking place in the Community and which could have a profound effect on its financial future. As a result of these measures, any increase in the Community's net expenditure — which would result in an increase in our net contribution—will involve a two thirds refund for the United Kingdom. That means that our contribution to the increase will be fixed at a maximum of 7 per cent.

Mr. Foulkes: Will the Minister give way?

Mr. Rifkind: Not yet. That should be compared with France, which will have to finance 27 per cent. of expenditure, and West Germany, which will have to finance 32 per cent. of contributions, without any compensating balance to reduce the burden on their national exchequers. It is therefore easy to see why Herr Stoltenberg, the German Finance Minister, and the French Finance Minister will have an enormous vested interest in ensuring proper control of expenditure.

Mr. Foulkes: If the Minister is so convinced about the effectiveness of budgetary control, will he now give the House the assurance that the Economic Secretary to the Treasury failed to give earlier — that the Government will not introduce ever again another Supplementary Estimate for money for the Community?

Mr. Rifkind: If the hon. Gentleman had done his homework properly he would know that we have still to find a way in which to resolve the problem for the current year, before the new budgetary discipline procedures have come into effect.

Mr. Foulkes: Ah.

Mr. Rifkind: The hon. Gentleman knows perfectly well that that is the case. He knows that, under the agreement that has been reached, it is the price fixing of a few weeks' time that will determine for the first time the budgetary discipline proposals.

Mr. Budgen: Will my hon. Friend give way?

Mr. Rifkind: Perhaps my hon. Friend will allow me to continue—I have only a few minutes.

The Government's objective throughout the negotiations has been to ensure that the Council of Ministers and the Commission have the power to control agricultural expenditure, and that of the Community as a whole. We believe that the measures that have been agreed will provide a new and much improved basis for controlling that expenditure.

Mr. Budgen: Will my hon. Friend give way?

Mr. Rifkind: Not now.

We have also been anxious to ensure that if, despite these new procedures, some items of which have been described as exemptions or loopholes, Community expenditure increases substantially, the United Kingdom taxpayer is protected from the effects of such increases in a way that has never been possible in the past. Because the British contribution to any increased expenditure, which would increase our net contribution, can represent only 7 per cent. of the total expenditure involved, we can say with considerable justification that the United Kingdom has achieved a protection for the British taxpayer and for the House that has not been available under any previous rules.

Under the Labour Government, not one ecu was recovered for the British taxpayer. That is to the permanent shame of the Labour party. When it had the opportunity, it failed completely to save the British taxpayer money. We have already recovered £2·5 billion for the British public and ensured that no increases in Community expenditure can produce an intolerable burden for the British taxpayer.

The vast majority of the British public support our membership of the Community and want the financial controls of the Community to be improved substantially. They also expect their Government to act responsibly and constructively in improving the Community.

Mr. Teddy Taylor *rose*——

Mr. Rifkind: On that basis, I can say that the conditions that the Government laid down have been satisfied. I therefore invite the House to approve the Supplementary Estimate.

Question put:—

The House divided: Ayes 349, Noes 189.

Division No. 74] **[10 pm**

AYES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Alton, David
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Ashdown, Paddy
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Beith, A. J.
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Browne, John
Bruce, Malcolm
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cartwright, John
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW N'folk)*
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Hill, James
Hind, Kenneth
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Howells, Geraint
Hubbard-Miles, Peter
Hughes, Simon *(Southwark)*
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Johnston, Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Kirkwood, Archy
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
Maclennan, Robert
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meadowcroft, Michael
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(NW Hants)*
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*

Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Penhaligon, David
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Pym, Rt Hon Francis
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Ross, Stephen *(Isle of Wight)*
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stradling Thomas, J.
Sumberg, David
Taylor, John *(Solihull)*
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Ian Lang.

NOES

Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beggs, Roy
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bidwell, Sydney
Blair, Anthony
Body, Richard
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Buchan, Norman
Budgen, Nick
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunningham, Dr John
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dover, Den
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Forrester, John
Foster, Derek
Fo[illegible]es, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Fry, Peter
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, Neil *(Tatton)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hawksley, Warren
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Maginnis, Ken
Marek, Dr John
Marlow, Antony
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Nicholson, J.
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Robertson, George
Rogers, Allan
Ross, Wm. *(Londonderry)*
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'kl'ds E)*
Smyth, Rev W. M. *(Belfast S)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Stokes, John
Strang, Gavin
Straw, Jack
Taylor, Teddy *(S'end E)*
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Walker, Cecil *(Belfast N)*
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec

Young, David (Bolton SE) Mr. James Hamilton and Mr. Frank Haynes.

Tellers for the Noes:

Question accordingly agreed to.

Resolved,

That a supplementary sum, not exceeding £119,218,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1985 for expenditure by the Treasury in connection with payments to the Budget of the European Communities not covered by direct charges on the Consolidated Fund under section 2(3) of the European Communities Act 1972, as set out in House of Commons Paper No. 145.

Bill ordered to be brought in upon the foregoing Resolution by the Chairman of Ways and Means, Chancellor of the Exchequer, Mr. Peter Rees, Mr. John Moore, Mr. Barney Hayhoe, and Mr. Ian Stewart.

CONSOLIDATED FUND (No. 2)

Mr. John Moore accordingly presented a Bill to apply a sum out of the Consolidated Fund to the service of the year ending on 31 March 1985: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 60.]

SOCIAL SERVICES

Motion made,

That Mr. James Couchman be discharged from the Social Services Committee and Mr. Tony Favell be added. — *[Mr. Marcus Fox, on behalf of the Committee of Selection.]*

Hon. Members: Object.

EDUCATION, SCIENCE AND ARTS

Motion made,

That Mr. George Walden be discharged from the Education, Science and Arts Committee and Mr. Malcolm Thornton be added. — *[Mr. Marcus Fox, on behalf of the Committee of Selection.]*

Hon. Members: Object.

West Lothian (Finance)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

10.17 pm

Mr. Tam Dalyell (Linlithgow): I am a passionate believer in the authority in their own sphere of local authorities. I refrain from public comment on local authority matters unless invited to do so by councillors, and in agreement with them.

However, at the end of a long and serious meeting on 7 January at the council chambers in Bathgate with councillor Dominic MacAuly, councillors Robert Lee, Alastair Mackie and Donald Stavent, district chief executive David Harrison, treasurer Stanley Stirton and housing director John Spraggon, my hon. Friend the Member for Livingston (Mr. Cook) and I were so invited.

First, however, I would like publicly to thank the hon. Member for Edinburgh, South (Mr. Ancram) for his consideration of the special housing needs of West Lothian and for awarding supplementary housing capital allocations for the current financial year and enhanced capital allocations for the year 1985-86.

Secondly, the debate is neither a diatribe nor even a groan, because I do not believe that there has been deliberate bias by Scottish Office officials against West Lothian.

Our difficulty emanates from the unique circumstances surrounding the growth in the financial circumstances of the 1970s and 1980s of Livingston new town. The purpose of the debate is to concern itself with the future rather than past recriminations.

I therefore ask the Minister to address himself to the following questions of which I have given him notice.

First, does the Secretary of State realise that West Lothian district is facing its highest rate increase for several years simply because of his action in reducing rate support grant from £2·5 million to £1·1 million? The district council would have been faced with a rate increase not exceeding 5 per cent., yet thanks to this grant loss the rate increase will now be of the order of 20 per cent. This does not say much for his idea of maintaining rate stability.

Secondly, does the Secretary of State realise that the council is being supported by some of the non-domestic ratepayers, notably the National Federation of Self-Employed and Small Businesses, which has been impressed by the soundness of the council's policies and has readily given its support to the council? The federation is appalled at the loss of grant being contemplated and recognises that this has placed West Lothian in an impossible position. It is, indeed, a situation of some irony when one of the foremost representative bodies for non-domestic ratepayers recognises that the Secretary of State, by his actions on rate support grant, is causing the local rate problems. The council is, in fact, singled out for some approval by the body concerned.

Thirdly, why does the Secretary of State consider it equitable that in 1985-86 West Lothian, with a population of 141,000, should receive £1·1 million, with a further fall of £400,000 likely to come later, when Argyll and Bute council with a population of 65,000 is to receive more than £2·5 million? That is a puzzling comparison, which greatly interests the West Lothian representatives. Why does the Secretary of State place such great emphasis on the burdens caused by tourists and inward commuters?

[Mr. Tam Dalyell]

Surely any reasonable person would recognise that far more severe burdens are caused by the effects of severe unemployment and increasing population throughout the year than result from short-term responsibilities caused by tourists. As for commuters, again I should have thought that a council faced with the provision of services to residents, many of whom are commuters, faces a more serious problem. In short, the logic of the distribution system is considered to be grossly unfair and unreasonable to West Lothiam council.

Fourthly, why did the Secretary of State consider it necessary to make a 72 per cent. reduction in the grant payable to West Lothian council? An increase would certainly be more relevant, particularly in the light of the forecast inflation level. Why was it necessary to contemplate such severe reductions in rate support grant to district councils in general and West Lothian council in particular? Do the Government accept that this reduction in grant will be the cause of the council's first major rate increase?

Fifthly, as overall grants to West Lothian council have dropped by more than 90 per cent. in four or five years, with untold damage to the economy, will the Secretary of State accept the need to revise the distribution plan for West Lothian and similar councils? The loss of more than £6 million is a major economic factor for shops and businesses in West Lothian in terms of lost purchasing power. The council therefore appeals for reconsideration of the rate support grant proposals.

Sixthly, having previously made an appeal for equity on behalf of the council on the matter of its spending level as compared with the figure for expenditure need determined by the Secretary of State, I urgently repeat that appeal. The council's spending is likely to be 4 per cent. below the expenditure need figure of £9,376,000. Yet the Secretary of State proposes further penalties in the future due to the arbitrary level of the revenue guideline. Surely that is grossly unfair to the council and the Government should now wish to reorganise their thinking.

Finally, I refer once again to the report and recommendations of the Bathgate working party. In the light of the obligations placed on the council by Leyland and by Polkemmet, it is to be hoped that the Secretary of State will look favourably upon West Lothian council when he deals with the general services capital allocations in some days' time. The same report identified the problems at Murrayfield, Blackburn. I hope that the Minister of State will accept the council's invitation to look at this scheme and to allow a special grant to be paid to remedy the severe deprivation.

The Scottish Office has had notice of those questions since Friday. I look forward to the Minister's replies.

10.22 pm

Mr. Robin Cook (Livingston): I congratulate my hon. Friend the Member for Linlithgow (Mr. Dalyell) on securing this debate, and, as a Member for a neighbouring constituency, I am grateful to him for allowing me to take part.

I wish to make three points as briefly as I may. My hon. Friend asked a number of very pertinent questions, and I hope that the Minister will answer them; I certainly intend to give him adequate time to do so. I wish to force those questions home with a number of points which add to their force and explain the reasons for seeking this debate.

First, there can be no doubt whatever that West Lothian needs additional financial resources. That need can be justified on two grounds. It is justified, first, by reference to the deprivation in the area. The Bathgate-Livingston travel-to-work area, which contains most of West Lothian, has the third highest rate of unemployment of any travel-to-work area in mainland Scotland. For reasons which my hon. Friend has hinted, all the signs are that the problem will get worse before it starts to get better. I shall not elaborate on that today, save to cite a chilling fact that emerged from a survey in my constituency last month. There is a council estate in my constituency in which the rate of unemployment among teenagers is now a staggering 77 per cent. Against the background of social dereliction on that scale, additional resources are plainly needed.

Secondly, the need for additional resources is abundantly clear, due to the population explosion in the area. In my constituency the population has grown faster in the past decade than that of any other constituency in Scotland, with just one exception. The rate support grant makes much of the additional expenditure on commuters and tourists. I am prepared to recognise that there is a marginal increase in the burden on local authorities from those two sources, but the burden from commuters or tourists can be as nothing compared with the burden from the residents in the area who make demands on services. Those residents have been increasing rapidly in the West Lothian area.

People in West Lothian, even those who are sufficiently skilled to understand the rate support grant formula, view with incomprehension the fact that Argyll, which has half the population of West Lothian, will in a couple of years recieve four times the RSG that will be received by West Lothian if the order goes through the House on Thursday.

Thirdly, West Lothian is in a distinctive position. As a result of the adoption of the client-group method of assessment, there was a sharp increase in the Government's allowance calculation of the expenditure needs of West Lothian. The Government then arbitrarily reduced the expenditure need figure to arrive at a guideline figure. We are now in the curious and clearly anomalous position that the guideline for expenditure in West Lothian is less than the amount the Government assess us as needing to spend to meet our needs. If West Lothian spends up to the expenditure need figure, it will incur penalties. I invite the Under-Secretary of State to justify that curious position.

West Lothian, having stuck to the guideline, having not sought to spend up to the expenditure need figure, having an expenditure in the past year almost spot on its guideline and, by the Minister's definition, being a responsible authority, faces a cut in grant of up to three quarters over two years. Plainly such a cut cannot be faced without a significant increase in rates or a significant reduction in services.

If one takes a longer-term perspective and looks at the past five years and the coming two years, a clear picture of a sharp reduction in resources emerges. In 1980, West Lothian received in total from housing support grant and rate support grant £7 million. It now does not receive a penny in housing support grant. That source, which once provided 45 per cent. of the council's housing budget, has

totally disappeared. In two years, under the proposals in the rate support grant order, West Lothian will receive a mere £700,000.

In six years, we shall have moved from a position of receiving £7 million in external support to a mere £700,000—a 90 per cent. drop. That cut represents a sharp reduction in the purchasing power of the West Lothian economy. It means that the people of West Lothian are poorer and that an element of the increase in unemployment we have witnessed during the past five years is attributable to that reduction in Government support.

I remind the Under-Secretary of State that the conclusions about the unemployment rate in the area are set out clearly in the Government's approved working party report on Bathgate which was produced in response to the closure of the British Leyland plant. The report contains a number of recommendations which, if implemented, would mean additional expenditure by the West Lothian district council, for instance, on environmental projects and recreational schemes and on an increased subscription on which to base support for enterprise, all of which would increase rather than reduce the demands on the district council.

The final paragraph of the report reads:

"It must be for the public agencies and local authorities responsible for the measures we have recommended to finance them from within their existing resources and allocations, possibly by the reordering of their priorities, or, where appropriate, to seek in the normal way the augmentation of those resources".

The tragedy of the position faced by myself and my hon. Friend the Member for Linlithgow is that we are not asking for an augmentation of those resources — although we could justify such an augmentation, given our needs. Given the clear analysis in the report of the need in West Lothian for additional support, we are asking the Government at least not to go ahead with the proposed sharp reduction in support. I hope that the Under-Secretary of State will tell us that he is willing to reconsider.

10.30 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): I listened with great care and attention to the hon. Members for Linlithgow (Mr. Dalyell) and for Livingston (Mr. Cook). As the hon. Member for Livingston made clear, the points that they both raised paralleled one another. I hope that during my remarks both hon. Members will feel that I have tried to answer their questions, if not in the order in which they were posed.

I am grateful to the hon. Member for Linlithgow for his comments about what the Government have managed to do for housing in West Lothian. I am well aware of the particular housing problems within that authority, as well as the difficulties with this year's housing revenue account block because of an expected shortfall against earlier estimates of capital receipts, due in large measure to a reduction in applications to purchase council houses. Last month, the Secretary of State decided to issue the council with a supplementary allocation of £1 million, increasing the council's net allocation for 1984-85 by 80 per cent., to £2,252,000 to compensate for the expected shortfall in receipts.

In setting the provisional allocations for 1985-86, we have again taken account of West Lothian's particular problems and issued a gross provisional allocation of £6·3 million, incorporating a special condensation and dampness allocation of £300,000. That represents a 29 per cent. increase over the March 1984 allocation for this year, and meets 90 per cent. of the council's bid for resources on this block.

On the non-HRA block, West Lothian received a small supplementary of £20,000 last month to cover a forecast, legally committed overspend on the block. The council's provisional allocation of £900,000 for 1985-86 represents an 84 per cent. increase over last March's allocation for this year, against—and I must put it in this perspective —a national reduction of 33 per cent. in the total resources available on this block. That should enable West Lothian to make substantial inroads into the backlog of applications for discretionary grants, as well as to plan for further approvals.

In terms of supplementary allocations for the current year and provisional allocations for next, not only have we treated West Lothian more than fairly, but we have recognised the serious points raised not least by the hon. Member for Linlithgow on previous occasions.

The hon. Member for Linlithgow set out fully and clearly the points on which West Lothian district council is concerned about the present arrangements for local authority current expenditure. In particular, he raised questions on the way in which current expenditure guidelines and rate support grant are calculated.

Current expenditure guidelines were first issued in 1976-77 by the then Labour Government to help authorities plan expenditure compatible with the Government's plans for total local authority expenditure. The guidelines for individual authorities were heavily influenced by their existing levels of expenditure, and the hon. Member has pointed out on other occasions the consequences of this for West Lothian, whose level of expenditure per head has been lower than that of a number of comparable authorities.

We accepted that the method of constructing guidelines, which we inherited from the Labour Government was not fair to authorities such as West Lothian, and for 1982-83 we changed the basis to a method based on client-group assessments of relative expenditure need. These assessments are based on a service-by-service examination of the factors that determine an authority's expenditure needs relative to other authorities. In using those assessments as the basis of an authority's guideline, we have, of course, to recognise that some authorities have a history of high spending and that it is necessary to add to their assessments to give them a realistic target for the year immediately ahead.

Also, since it is the Government's policy to reduce local authority expenditure, it does not make sense to give authorities guidelines which imply significant increases in expenditure in real terms. That has meant that some authorities have to receive guidelines below their assessment of need. For those authorities, which include West Lothian, we were able to allow some movement towards client-group assessment in the 1984-85 guidelines with figures implying a marginal increase in real terms. However, we could not allow this latitude in 1985-86, and no authority has a guideline which allows it to increase its expenditure in real terms without penalty.

West Lothian, I know, welcomed the move to the client-group method of calculating guidelines, and in 1984-85 in particular it benefited in the form of more generous guidelines than the majority of authorities. The

[Mr. Michael Ancram]

increase in guidelines from 1983-84 was nearly 35 per cent. as West Lothian was among the 21 authorities that had guidelines marginally above their previous year's budget in real terms. For 1985-86 it is among 27 authorities that can maintain their 1984-85 budgeted expenditure in real terms without suffering grant penalty.

In October, the Secretary of State fixed the guidelines of West Lothian and other authorities in the same position at a level which, on the current estimates of inflation, would allow them to maintain expenditure in real terms. When the estimate of inflation was revised in the Chancellor's Autumn Statement, my right hon. Friend increased the guidelines of West Lothian and of those other authorities to ensure that that position was maintained. For the remainder of authorities not in West Lothian's position real term cuts are needed if severe grant penalties are to be avoided in 1985-86. thus, on guideline calculation, West Lothian has always come out better than the average since we changed to the client-group method.

I know West Lothian would like a guideline that is much higher. However, it would be quite inconsistent with our policy of expenditure reduction to set a guideline implying a significant increase in expenditure. Scottish local authorities, despite our requests to them to spend in line with what the nation can afford and the action we have taken to bring down rates and expenditure, are still spending more than they did in 1978-79. It is essential that increases should stop and reductions should take place. The best that any authority can expect in these circumstances is a guideline which allows it to maintain its expenditure in real terms—as West Lothian has.

Mr. Robin Cook: I hope that the Minister appreciates that as a result of the reduction in grant, West Lothian district council can only maintain its expenditure according to the guideline figure during the coming year by a rates increase of 20 per cent. An increase of less than 20 per cent. will not allow it to meet the guideline expenditure that has been fixed for it by the Government.

Mr. Ancram: I shall be dealing with those figures. If the hon. Member for Livingston investigates this point, he will find that, if his authority comes down to the guideline, there will not have to be a rates increase of 20 per cent. However, I shall come in a moment to the rate support grant and its effect on rates. I am very much aware of the point that the hon. Members for Linlithgow and for Livingston made about the special problems which face West Lothian with its increasing population. The Secretary of State, in a letter to the convenor of the district council in December, said that he would bear in mind this and the other points that had been made.

It would not be logical either, as the hon. Member for Linlithgow has previously suggested, to penalise only that expenditure above the client-group assessment. Guidelines are designed so that they total to the Government's expenditure provision for the year concerned. Penalties are designed to put pressure on each authority to spend in line with its guideline with the objective of bringing the total of local authority expenditure into line with the Government's plans. If for some authorities no pressure was applied until expenditure was well above guidelines, there would be no prospect of our bringing local authority expenditure under control.

West Lothian budgeted to spend in 1984-85 £117,000, or 1·44 per cent. above its guideline. With modest savings, the authority could have its £83,000 grant penalty returned to it in the next financial year. If it then maintains its expenditure in real terms and makes no increase, it should, on present forecasts of inflation, be able to avoid penalties in 1985-86. I do not think that that is setting the authority an impossible task, given our overall policy of reducing local authority expenditure.

Reference has also been made to the way in which the distribution of rate support grant for 1985-86 would affect West Lothian. We shall, of course, be debating this fully on Thursday. Therefore, I do not intend to go into the detail of next year's settlement.

In brief, we decided that it was necessary to put further pressure on authorities to reduce their expenditure by cutting the percentage of rate support grant. That mechanism for restraining expenditure was accepted by the Labour Government, and the amount by which we are cutting the grant percentage in 1985-86 still falls short of the cut made in the percentage by the right hon. Member for Glasgow, Govan, (Mr. Millan) in 1977-78.

We also had to reach a decision on whether that reduction should fall on regions and districts in proportion to their present share of grant or whether the proportion of grant between regions and districts should change. There is again nothing new in that. The Labour party changed the proportions when it was in power. We decided that it was important to keep to a minimum grant loses amoung regional councils since regional rates account for by far the largest part of the bill that ratepayers have to pay. Therefore, we increased the regional councils' share.

That has led to reductions in the amount of rate support grant paid to districts. However, it is important to make two points about this. First, there is a limit in the amount of grant which any district council will lose in 1985-86, as compared with 1984-85. No district will lose more than the equivalent of a 4p rate. That, therefore, is the maximum by which the rates will go up as a result of changes in the amount of needs element for whatever reason.

Secondly, district ratepayers are regional ratepayers, too, and the district rate is only a quarter of the regional rate. Thus, district ratepayers will benefit from the emphasis put on limiting regional grant losses, and what may sound like large percentage changes in district terms will not be so large when looked at in total rate bill terms, especially if authorities spend at guidelines.

If both Lothian regional council and West Lothian district council spend in line with guidelines in 1984-85 and 1985-86, taking account of revaluation, the total rate burden on West Lothian ratepayers will go up by only 1 per cent. That is very different from the 20 per cent. figure which the hon. Member for Livingston mentioned.

Because of revaluation, the effect on different groups of ratepayers will vary. Domestic ratepayers on this basis would see the rate bills go up by 11·5 per cent on average. Industrial ratepayers would see their bills fall by 6 per cent. on average. That is a point worth bearing in mind by the hon. Members for Linlithgow and for Livingston, who rightly made play of the need for jobs and industry in their area. The answer is that if the authorities spend at guideline, industrial rates will on average go down. Thus, I hope that West Lothian ratepayers, both domestic and non-domestic, will put their regional and district councils

under strong pressure to bring their spending into line with guidelines because that is the key to keeping rate increases down.

The hon. Members for Linlithgow and for Livingston made a comparison between the amount of needs element paid to Argyll and Bute district council and the amount paid to West Lothian. However, I think that even the hon. Member for Livingston would agree that there are considerable differences between those two district councils. They are strikingly different in density of population. There are 3·3 persons per hectare in West Lothian, and only 0·1 in Argyll and Bute. On any view that is a huge difference. Argyll and Bute has to provide services to the islands off its coast, several of them with small populations. Those are important factors in pushing up the costs of a service such as cleansing which accounts for a substantial part of district council spending. Those factors are reflected in the assessments of need which underlie the grant distribution. The use of population figures adjusted for tourism and commuters which have been referred to do not have a major impact on the assessments in the way that sparsity does.

In addition to the assessments of need, the grant distribution takes account of loan charges—an area in which Argyll and Bute has a much higher figure than West Lothian. Income from specific grants, another factor which is taken into account, also goes some way to explain the difference. Therefore, to make the kind of simple comparison which has been made can be misleading. I hope that I have explained the reason for the apparently large difference in the figures.

On capital, the final allocations for 1985-86 are still being considered, but the figure decided upon ought to allow some scope for spending in accordance with the recommendations of the Bathgate working party, as well as certain improvements to basic services identified in the council's financial plan. I hope that authorities will be notified of their allocations in the next few weeks. I have noted the points that have been made tonight.

The provision for local authority capital expenditure has to be balanced against other sectors of the overall public expenditure programme, the total of which must be tightly constrained as part of the Government's overall economic strategy. Capital consent allocations have to be determined in the light of the relative need and competing claims of local authorities as shown in their financial plans. But inevitably the total bids are well in excess of the limited total resources available and some authorities will be disappointed.

The Government's view is that the first priority should be the adequate provision of basic environmental services, and that leisure and recreation services, though important, have a lower priority, but it is, of course, for each authority to decide to which projects to give priority in the light of the consents issued.

The hon. Members for Linlithgow and for Livingston presented West Lothian's case persuasively, but I cannot accept that its position is unique or that it has been unfairly treated by central Government. I hope that, in the light of what I have said this evening——

Mr. Dalyell: The Minister says that the position is not unique, but it is unique in that there is an increasing population. In the capital allocations for 1985-86, do we have the clear assurance that the increase in population will seriously be taken into account?

Mr. Ancram: The hon. Member is clearly referring to the effect that the population has on the guidelines and rate support grant distribution. Those points have been made before and we have them firmly in mind. The West Lothian authority is not unique in that respect. I hope that the hon. Member will feel that West Lothian has been fairly treated by the Government.

Question put and agreed to.

Adjourned accordingly at fourteen minutes to Eleven o'clock.

House of Commons

Wednesday 23 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

Israel

1. **Mr. Marlow** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Israel that the Falashas should not be settled in a manner which would disrupt the progress towards Palestinian self-determination.

The Minister of State, Foreign and Commonwealth Office (Mr. Richard Luce): The settlement of the Falashas in Israel is a matter for the Israeli Government. Our firm commitment to the Palestinians' right to self-determination is well-known.

Mr. Marlow: As those of us who have seen at first hand the inhumane way in which the Palestinians under Israel control are treated will not believe that the Falashas have been hijacked from their natural environment for humanitarian reasons, will my right hon. Friend reassure the House that Her Majesty's Government neither knew of nor assisted in the so-called Operation Moses? Will he make most firmly the point with the Israeli Government that we would not expect the Falashas to be used as front-line troops in the conflict on the West Bank?

Mr. Luce *rose*——

Mr. Speaker: Order. Before the Minister replies, I make a special appeal for shorter supplementary questions.

Mr. Luce: The Government welcome any efforts that are made to alleviate the sort of suffering that we have been seeing in Ethiopia in the past few weeks and months. We deeply deplore settlements in the occupied territories and regard them as illegal. We are disturbed by the settlements because we think that they are an obstacle to peace. However, that is a separate issue.

Mr. Janner: Having regard to the amazing and unique nature of this mercy operation, which I for one had the honour of seeing, would it not be right just once for the House as one to salute a tremendous enterprise of compassion that has been carried out by a nation with great difficulties?

Mr. Luce: As I have already said to the hon. and learned Gentleman, the Government welcome any measures that are taken to alleviate grave suffering in Ethiopia. I am glad that the British Government have played a prominent role to that end.

Mr. Steen: I think that the views of my hon. Friend the Member for Northampton, North (Mr. Marlow) are well known. However, will my right hon. Friend tell the House what steps the Government will take, either officially or unofficially to help save lives in Ethiopia, and especially to save the lives of Falashas and help to re-establish their link with Israel, which has offered them a home and a future?

Mr. Luce: The bringing of the Falashas to Israel is a question for the Israeli Government, and the events in Ethiopia form a separate question. I must reinforce the view that the British Government are taking a prominent lead with the provision both of RAF aircraft and of supplies of food and care.

Mr. Faulds: Is the Minister right in saying that this is a matter of concern only for the Israeli Government? Surely there should have been some reference to the Ethiopian Government in this matter? Is it acceptable that even Israel, which seems to think that it can behave in this exclusive and selective fashion, can mount an operation in another country which leads to a mass exodus during which many thousands of people die? It has been an incomplete exercise, which has partly failed. It was mounted in the interests of one community, to the disregard of millions of others who are starving in the same circumstances.

Mr. Luce: That is specifically a question for the Israeli Government. People have a right freely to move across borders, and that is the Government's view. What matters in all this is that suffering in Ethiopia should be alleviated.

Mr. Latham: Is it not deplorable that my hon. Friend the Member for Northampton, North (Mr. Marlow) and the hon. Member for Warley, East (Mr. Faulds) have criticised Operation Moses without having made any reference to the thousands of black Jews who were starving to death and who are now safely housed in Israel?

Mr. Luce: I have noted my hon. Friend's views.

Namibia

2. **Mr. Willie W. Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent visit to central Africa, with particular reference to the future of Namibia.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I visited Zimbabwe, Zambia and Kenya between 5 and 12 January. In each country I had discussions with the Head of State or Government, the Foreign Minister and other Ministers. Our talks covered a wide range of international, regional and bilateral issues. In all three countries, I found deep concern over Namibia. We discussed how best to achieve our common goal of ensuring early implementation of Security Council resolution 435. During my visit I was able to see something of the contributions which British industry, our aid programme and the British Council are making to the development of the three countries' economies.

Mr. Hamilton: I thank the right hon. and learned Gentleman for that reply. Does he, with the whole of the free democratic world, deplore the continuous procastrination by the South African Government in denying Namibia the right to freedom? What steps is the right hon. and

learned Gentleman taking with our allies in the United States to ensure that much speedier progress is made towards that end and to ensure that increased pressure is brought to bear on the South African Government to attain that end?

Sir Geoffrey Howe: Namibia was a major topic of discussion in all those countries. Everyone agreed on the importance of early independence for Namibia on the basis of Security Council resolution 435. The main hope of achieving a settlement leading to that result lies in the current United States-led negotiations, which we support. I have urged other Governments in the region to support those negotiations. We shall continue to do everything that we can with our allies to encourage those negotiations to reach a conclusion and to move towards the implementation of Security Council resolution 435.

Mr. Jim Spicer: Does my right hon. and learned Friend agree that, although it is fashionable to put Namibia at the top of the list, the problems posed by the complete disintegration of Mozambique must rate highly with the problems involving the Republic of Zimbabwe, because without——

Mr. Speaker: Order. The question is about Namibia.

Mr. Anderson: Security Council resolution 435 was passed long ago, in September 1978. Does the Foreign Secretary now understand the frustration and impatience of other African countries at the long delays? Is the right hon. and learned Gentleman content with the fact that the Contact Group appears to be dormant and to rely entirely on the United States Crocker initiative, which may be construed as bypassing resolution 435? Will the right hon. and learned Gentleman state that there is no linkage between the Angolan-Cuban proposals and independence for Namibia?

Sir Geoffrey Howe: I certainly need no reminding of the widely felt impression about the long time taken in implementing Security Council resolution 435. That resolution is endorsed internationally and universally as the basis of Namibian independence, and it needs to be fulfilled as soon as possible. We are in close touch with the other Foreign Ministers concerned with the Contact Group. I recently discussed this question with the Foreign Ministers of France, Germany and Canada. We are ready to do anything in this or any other context that will help to promote a settlement. One must recognise that the best possible prospect for settlement lies in the negotiations now led by the United States.

Linkage was no part of the Security Council's resolution. We do not recognise it as a precondition for settlement, but the fact that a linkage has been made cannot be ignored if a settlement is to be reached. We welcome the fact that Angola has put forward proposals for Cuban withdrawal. We shall continue to press the negotiations forward in that framework as hard as we can.

Arms Control

3. **Mr. Corbett** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on arms control talks.

8. **Mr. Chapman** asked the Secretary of State for Foreign and Commonwealth Affairs if he will report progress at the various disarmament conferences taking place.

Sir Geoffrey Howe: As my right hon. Friend the Prime Minister told the House on 9 January, we warmly welcome the agreement to resume US-Soviet negotiations. We fully share the objective of working out effective agreements aimed at preventing an arms race in space and terminating it on earth, and limiting and reducing nuclear arms and strengthening strategic stability.

At the Geneva conference on disarmament, our priority is to achieve a complete chemical weapons ban. We also hope for serious negotiation to begin at the Stockholm conference. On MBFR, the East continues to reject the West's latest initiative on force data.

Mr. Corbett: As we approach the 40th anniversary pf VE day, will the Foreign Secretary acknowledge the heroic role played by the people of the Soviet Union and the Red Army in the allied defeat of Hitler and Fascism? Will he bear that in mind in the arms control talks and take seriously the new Russian determination to try to secure nuclear and general disarmament?

Sir Geoffrey Howe: I certainly subscribe to the hon. Gentleman's first point. One of the matters very much in my mind during my visit to Moscow last summer was that the Soviet Union suffered massive casualties in the second world war and, with the rest of the alliance, played a notable part in securing victory.

With regard to the negotiations, the fact that both sides agreed at Geneva to begin the negotiating process now in train is confirmation of the genuineness of both sides in that search. We have certainly done everything that we can to convince them of the necessity of sustaining it and we shall go on doing so.

Mr. Chapman: Should not the United States research programme into space weapons be commended, if only because it raises the prospect, however remote, of an antidote to nuclear weapons being found? Does my right hon. and learned Friend agree that in any case that research programme has been principally responsible for bringing the Russians back to the negotiating table on the question of long and medium-range nuclear weapons?

Sir Geoffrey Howe: The United States research programme is to be considered alongside the research into precisely the same kind of technology already undertaken by the Soviet Union. In so far as that research contributes to a strengthening of defence as part of the balance of armament, no doubt it is to be welcomed. The existence of that programme was no doubt one of the factors which the Soviet Union had in mind in agreeing to the resumption of the talks.

Mr. Winnick: Does the right hon. and learned Gentleman agree that it would help to create the right atmosphere for the arms control talks if representatives of the Soviet Union and the United States were invited at the appropriate time this year to celebrate the 40th anniversary of victory over Fascism? Does he appreciate how concerned we were at the original answer given by one of his junior Ministers that VE day would not be celebrated? Will he try to exercise greater control over his Department in the future?

Sir Geoffrey Howe: The Government's position on that is quite clear. Together with, I think, all the other Governments concerned, we recognise the case for commemorating the fact of 40 years' peace in Europe and

doing so in a fashion that takes account of the interest in the future of peace and conciliation in Europe, not only of our allies in that conflict, but of all who participated in it.

Mr. Walden: Is my hon. and learned Friend aware that on 13 January Mr. Gromyko said in a television interview that he did not at all insist that Britain and France should eliminate their nuclear weapons? Will my right hon. and learned Friend find a tactful way of explaining to the Opposition the implications for unilateralism of that statement?

Sir Geoffrey Howe: I entirely agree about the importance of that point. Mr. Gromyko's observation was in line with that made by Mr. Andropov, and recently quoted by a Soviet spokesman, that the concept of unilateral disarmament could not be contemplated by the Soviet Union because
"we are not naive people."

Mr. Healey: As the Foreign Secretary is now aligning himself more and more closely with Mr. Gromyko, and bearing in mind that the refusal of the British and French Governments to allow their missiles to be counted in the INF talks was one important reason for the failure of those talks, does the right hon. and learned Gentleman agree that in the statement to which the hon. Member for Buckingham (Mr. Walden) referred Mr. Gromyko insisted that British missiles should be counted in the forthcoming talks on strategic weapons, especially as the British Government regard them as strategic weapons and they are committed by treaty to NATO, and that if the British Government completed the Trident programme they would be capable of destroying 10 times more Soviet targets than would the present Polaris force?

Sir Geoffrey Howe: The right hon. Gentleman will not be surprised to hear that I do not agree with that proposition. Our view on the position of the British nuclear force in arms negotiations is as stated by me in my speech to the United Nations two years ago, and is very closely in line with the statement made to the same assembly by President Mitterrand. If Soviet strategic arsenals and those of the United States were substantially reduced, and if there were no significant changes in Soviet defensive capabilities, Britain would review its position and consider how best to contribute to arms control in the light of the reduced threat.

Ethiopia

5. **Mr. Janner** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of relations between the United Kingdom and Ethiopia.

The Minister of State, Foreign and Commonwealth Office (Mr. Malcolm Rifkind): We have normal diplomatic relations with Ethiopia. In recent months, ministerial visits have enabled our two countries to discuss our relations more deeply. We continue to provide those in need in Ethiopia with very considerable amounts of emergency food aid.

Mr. Janner: Will the aid that we are able to give to Ethiopia now be increased in order to meet the danger of the reported outbreak of cholera in that country? Secondly, is this nation, or any nation other than Israel, making any effort to settle or re-settle anyone who is suffering in, or is a refugee from, that sad land?

Mr. Rifkind: The United Kingdom has given about £30 million of aid over the past two years. That is a major contribution towards dealing with the real problems of Ethiopia.

On the second part of the hon. and learned Gentleman's question, it would be reasonable to assume from our existing knowledge that most of the Ethiopian refugees in the Sudan will ultimately wish to return to Ethiopia when circumstances permit.

Mr. Bowen Wells: Will my hon. Friend tell the House why he has declined to support the World Bank's special fund for Africa, which is designed to prevent a recurrence of the famine and starvation in Ethiopia and other sub-Saharan countries?

Mr. Rifkind: We have great sympathy with the initiative proposed by the World Bank, but any specific contributon that the United Kingdom made to it would be at the expense of other existing bilateral and international commitments. We must bear that in mind. I hope that the World Bank's initiative will continue to make progress as an important contribution to the problems.

Dr. Owen: Is the Minister aware that the cholera epidemic in Ethiopia is extremely serious and will almost certainly spill over into the Sudan? There is a great shortage of medical personnel and nursing staff——

Mr. Yeo: Why does not the right hon. Gentleman go?

Dr. Owen: I would consider myself dangerous. I would not offer my services, even in that limited role.

Will the Minister consider discussing with Health Ministers and with his right hon. Friend the Minister for Overseas Development whether it would be possible to mobilise medical and nursing teams from the United Kingdom to be sent to the Sudan and Ethiopia?

Mr. Rifkind: I acknowledge the force of the right hon. Gentleman's point. There is no doubt of the seriousness of the difficulty. The United Kingdom has committed some £14 million to Ethiopia, and my right hon. Friend the Minister for Overseas Development will give careful thought to the best way in which that money can be used to make a contribution, both bilaterally and in co-operation with other interested parties.

Mr. Baldry: The whole House warmly welcomes the extension of the United Kingdom's Hercules airlift to Ethiopia. However, is my hon. Friend aware that that airlift will be as nothing without long-term, preferably bilateral, aid to back it up and to assist in the development of agriculture in Africa so that the problem of hunger can be tackled?

Mr. Rifkind: I appreciate my hon. Friend's point, but the present priority is to deal with the immediate problems of hunger and starvation in Ethiopia. In the case of long-term developmental aid, the needs of Ethiopia, which are certainly significant, must be balanced against the interests of the various other countries in Africa, who also have serious needs, and with which we have close bilateral relations.

Mr. Tom Clarke: In view of the disappointment expressed publicly by the Secretary-General of the United Nations about the fact that warnings of famine in Ethiopia which were uttered well over one year ago appear to have been ignored, should not the British Government, in the light of the close relationship that the Minister has

mentioned, be encouraging Ethiopia to take the United Nations more seriously? Should not the Government be setting an example themselves?

Mr. Rifkind: The United Kingdom did not ignore the warnings. Although we did not have a formal bilateral aid programme with Ethiopia, in the two years before the famine the United Kingdom gave food aid worth more than £15 million. I agree that Ethiopia should take the United Nations as an important international agency, as should all countries.

Sir John Biggs-Davison: Did my hon. Friend's reply to my hon. Friend the Member for Banbury (Mr. Baldry), in which he mentioned the Royal Air Force contribution, mean that the Hercules aircraft will be kept there for as long as is necessary?

Mr. Rifkind: My right hon. Friend the Minister for Overseas Development recently announced an extension of the Hercules airlift until March. The matter will then be reviewed to see what will be appropriate.

Latin America (Debts)

6. **Mr. Wareing** asked the Secretary of State for Foreign and Commonwealth Affairs if he will assess the implications for the United Kingdom's relations with the countries concerned of the current Latin American debt crisis.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): The Latin American debt crisis has of course led to an intensified dialogue between ourselves and the debtor countries of the area. As my right hon. Friend the Chancellor of the Exchequer told the House on 25 October 1984, the British Government have played a leading role in promoting co-operation between Governments, international institutions and banks to tackle the problem of international debt.

Mr. Wareing: What will be the Government's response when the rescheduling of the Nicaraguan debt is considered later this year? Will they merely follow their usual role as puppets of President Reagan, or will they be generous and take on board the overriding regional development problems of the area, as our EEC partners are doing? Does the Minister agree that we should be looking for other ways in which to finance development in countries such as Nicaragua, especially through direct investment in the natural resources of such countries, to overcome their long-term problems?

Mr. Renton: The Government are playing a constructive part in considering and helping to restructure the international debt problems of Latin American countries. We are aware of Nicaragua's economic difficulties. We hope that its Government will agree to follow International Monetary Fund advice on policies to tackle those difficulties. We understand that the World Bank is discussing with the Nicaraguans the resumption of regular payments of outstanding debts to the World Bank.

Mr. Maxwell-Hyslop: With the return of an elected President to Brazil, will the Government use their best endeavours, with other creditor nations, to ensure that Brazil is not submitted to stresses that are incompatible with a full return to democratic Government throughout that enormous country?

Mr. Renton: We strongly welcome the election of the first democratically elected President of Brazil for 21 years. My right hon. Friend the Prime Minister has sent a message to Dr. Neves congratulating him. As my hon. Friend said, it is significant that Brazil is making important steps towards tackling her overseas debt problems. It is a matter of great pleasure that my right hon. Friend the Minister for Trade was able to announce in December that, for Brazil, there is now a resumption of medium-term export credit cover from Britain. I shall bear in mind the other points that my hon. Friend has made.

Mr. Healey: Now that the Government and British banks have contributed to the agreement on Argentine debt, which was reached a few weeks ago, is it now established policy of the Government to lend Argentina money which might be spent on rebuilding the Argentine armed forces with weapons supplied in part by British firms?

Mr. Renton: I am glad that the right hon. Gentleman expresses support for the action taken by the Paris club recently in agreeing to multilateral settlement of Argentina's debts. We look forward to playing our part in establishing what can be done on bilateral debt arrangements between Argentina and Britain.

Departmental Costs

7. **Mr. Thurnham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will give an updated report on action to control the total running costs of his Department.

12. **Sir Peter Blaker** asked the Secretary of State for Foreign and Commonwealth Affairs what further developments there have been regarding the planned level of activity in the forthcoming financial year of the Diplomatic Service, the British Broadcasting Corporation External Services and the British Council respectively.

Sir Geoffrey Howe: I gave details on 14 November of measures which are being taken or planned to control running costs in the Foreign and Commonwealth Office. I have since announced a list of 10 diplomatic and consular posts which will close or not reopen. The Overseas Development Administration has carried forward its plans to consider putting out to competitive tender a number of in-house services.

I refer my right hon. and hon. Friends to my statements in the House on 22 November and 18 December 1984. There has been no further change.

Mr. Thurnham: Will my right hon. and learned Friend say how the recent decline in the pound-dollar value will affect future resources? Yesterday's White Paper showed strict control on future spending in sterling terms.

Sir Geoffrey Howe: As I made clear in my answer to the Select Committee on Foreign Affairs in October, rises in expenditure resulting from exchange rate movements and differential inflation will be considered as requirements based on changed economic assumptions. In fixing the longer-term programmes of the Department in the public financial survey, account will be taken of changes of economic assumptions, up or down, in setting the base line for future years. Obviously, much will depend on movements in exchange rates and overseas inflation. If there are major adverse movements, they can be reviewed during the next public expenditure survey.

Sir Peter Blaker: Is my right hon. and learned Friend satisfied that his Department and its various parts can plan satisfactorily on that rather vague statement about the extent to which rises in costs incurred overseas may or may not be taken into account? Surely something much more precise is required. Do we not need a definite statement that his Department will compensate for any overseas risen costs, whether resulting from a fall in sterling or from excessive inflation overseas?

Sir Geoffrey Howe: I understand the importance of my right hon. Friend's point. The sentence that I quoted from the statement in Cmnd. 9367 states that in fixing the longer-term programmes of the Department account will be taken of changes of economic assumptions, up or down, in setting the base line for future years. I understand the importance that my right hon. Friend attaches to that. It must always be subject to consideration, together with other questions, in the public expenditure survey.

Mr. Kirkwood: Is the Foreign Secretary aware of the valuable work that the British Council does, especially in relation to Ethiopia? Is he further aware that it has projects in hand at the moment, which are of vital importance to Ethiopia, which use English as a secondary teaching language? Will he assure the House that any projected cuts in his Department will not interfere with that aspect of the British Council's work?

Sir Geoffrey Howe: I recognise the importance of the work done by the British Council. In the year ahead there is no cut in grant in aid to the British Council. It is being increased by £5·8 million in 1985-86 to meet overseas risen costs, leaving the council to absorb £1·1 million of overseas risen costs. The council is still considering how to absorb that amount. I share the hon. Gentleman's hope that that can be done in ways that do not damage the excellent work done by the British Council.

Mr. Soames: Does my right hon. and learned Friend accept that some hon. Members believe that cuts of this type in his Department are shortsighted folly in terms of Britain's interests? Will he assure the House that the cuts that are being made have not affected our efficiency and ability to represent Britain's case abroad?

Sir Geoffrey Howe: I certainly understand and welcome the support given by my hon. Friend for the work done by my Department. It is inevitable that the reductions, which involved the closure of 10 diplomatic and consular posts, represent a reduction in the coverage of the services offered by the Department. A reason for proceeding in that way is to maintain the standard of the work being done by the Department elsewhere.

Mr. Campbell-Savours: In the light of evidence given to the Committee on Public Accounts, could not savings be made if, instead of paying the school fees of the children of Foreign Office officials in Britain's public schools, the Foreign Office sent those children to comprehensive schools in the state sector, whether voluntary-aided or not, which have boarding facilities? If the Secretary of State is determined to save money, should he not consider this matter objectively? Real savings could be made and boarding facilities could be retained for the use of the children of Foreign Office officials.

Sir Geoffrey Howe: I am sorry that the hon. Gentleman's vision of such matters is so limited by his narrow class perceptions. He must acknowledge that the people employed in the Diplomatic Service have for many years, as a result of consecutive recommendations by external and internal Committees to successive Governments, had their salaries supplemented in precisely that way, just as occurs with many private sector employees. If one must serve in a remote station for a long time, and is likely to do so regularly, there is no substitute for a boarding school education for one's children. It would be wrong to make the narrow changes envisaged by the hon. Gentleman for the narrow, bitter, class reasons that he advances.

Arab-Israeli Dispute

9. **Mr. Adley** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment his Department has made of the likelihood of negotiations taking place in 1985 on the subject of the Arab-Israeli dispute.

Mr. Luce: We remain deeply concerned about the Arab-Israel dispute as an important and dangerous threat to peace in an area of great importance to Europe. We have noted statements in favour of negotiations from Israel and the Arab side. Progress depends on the parties themselves. With our partners in the European Community, and, on the basis of our balanced approach, we shall continue to urge the parties to move forward towards negotiations. The United States' role continues to be of central importance.

Mr. Adley: I thank my hon. Friend for that reply. Does he agree that the recent proposals by King Hussein, supported by the Egyptian Government and the PLO, are the most fair and realistic proposals that have come forward for a long time? Do the Government support them? Will he confirm that it is not Government policy to lend support or credence to a policy of countries invading and occupying neighbouring countries because they do not agree with their politics?

Mr. Luce: We watch with great interest the development of some proposals and the efforts being made by King Hussein, in consultation principally with Egypt and other Arab countries, and with some Palestinian leaders, with a view to putting forward some proposals, which have not been fully evolved, to provide a basis for discussion. King Hussein is keeping us fully informed.

Mr. George Robertson: Will the Minister pay careful attention to the fact that there are signs of conciliatory approaches in the Arab world, and to the fact that a Labour Prime Minister in Israel was associated with the pull-out from Lebanon, which provide a unique opportunity for an initiative to be taken in that troubled part of the world? Will he ensure that the United States is not diverted by something else in the meantime from the urgent task of making that initiative a front part of its policy?

Mr. Luce: We have noted with interest the desire of the Israeli Government to negotiate; Israel's Prime Minister has already said that in public. President Reagan made it clear in his address to the United Nations Assembly that his proposals of 1982 remain firmly on the table as a basis for discussion. My right hon. Friend the Prime Minister has already had discussions with the President about the middle east and other important matters, and will do so again soon. We have a close interest in those matters.

Brazil

10. **Mr. Maginnis** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has received an invitation to attend the inauguration of the next President of Brazil.

Mr. Renton: As far as I am aware, the Government of Brazil have not yet issued any such invitations.

Mr. Maginnis: In view of the recently established link between the aircraft builders Shorts of Belfast and Embraer of Brazil, will the Government let the new Brazilian Government know that the United Kingdom will encourage such economic co-operation between our countries?

Mr. Renton: I appreciate the hon. Gentleman's interest in the matter. The position as regards the new trainer is as follows. My right hon. Friend the Secretary of State for Defence has invited Shorts and British Aerospace to submit best and final offers by 24 January. I understand that Hunting and Westland also intend to submit revised tenders by then. In addition, the option of refurbishing the Jet Provost has been kept open. Every relevant consideration, including foreign policy factors where appropriate, will be carefully assessed before a final decision is made.

Lebanon

11. **Mr. Latham** asked the Secretary of State for Foreign and Commonwealth Affairs what is the latest position regarding possible United Kingdom logistical support for a strengthened United Nations force in Lebanon.

Sir Geoffrey Howe: I was able to discuss the situation earlier today with the United Nations Secretary General. Her Majesty's Government have emphasised to all the parties the need for agreed and effective security arrangements in areas to be vacated by Israeli forces. A United Nations presence could play a valuable part in these arrangements. It is important that all the Governments concerned, not least the Lebanese, should now make practical proposals to that end.

Mr. Latham: Does my right hon. and learned Friend welcome the Israeli withdrawal, which is beginning, and will he ensure that some early steps are taken to fill the vacuum, otherwise there may be serious inter-communal massacres?

Sir Geoffrey Howe: That was the point of my answer. We welcome the fact that the withdrawal is to commence and we look for early, complete and orderly Israeli withdrawal. If that withdrawal is to be orderly, it requires co-operation with the Lebanon and with other countries, and full consideration of the effects of that on the stability of the area and the safety of civilians. That is why I have emphasised the importance of all the Governments concerned making practical proposals for possible United Nations presence in this area.

Mr. Healey: I welcome the Foreign Secretary's statement that he has discussed this matter with Mr. Perez de Cuellar and agree with the sentiments that he has expressed. The Opposition would welcome a British contribution to a United Nations force if this were required, and if conditions laid down by the Foreign Secretary were met, we would be satisfied. Does the Foreign Secretary agree, in the light of our experience of the ill-fated international force in Beirut, that before agreeing to put British troops into such a force it is vital that there should be the most precise definition of its role, and clear and strict arrangements governing consultation among components in the force about the possible use of weapons by the force?

Sir Geoffrey Howe: I am grateful to the right hon. Gentleman for his acceptance of our view that the United Nations presence could have an important part to play in this area. He will appreciate that there are already substantial United Nations forces there, in UNIFIL or the United Nations Truce Supervision Organisation, and in other sectors as well. It is important that the conditions in which there are invited to play a part should be clearly defined along the lines that the right hon. Gentleman described. This is why I stress the need for early proposals, particularly from the Lebanese Government, to that end. Any question of an increase in the size of the United Nations force might arise hereafter. A British troop contribution has not been requested. We take the view that we are well placed, and remain better placed, to help on the logistical side of such an organisation.

EUROPEAN COMMUNITY

Own Resources

35. **Mr. Andrew F. Bennett** asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to discuss the increase in own resources at the Foreign Affairs Council.

Sir Geoffrey Howe: This issue is on the agenda of the Foreign Affairs Council of 28 and 29 January.

Mr. Bennett: Does the Foreign Secretary agree that the only people pushing the British Government to expand the VAT base are the Commission and the other member states? Is it not unacceptable to the British people to be contemplating putting VAT on books, newspapers, children's clothes and other things such as food? Will the right hon. and learned Gentleman make it clear that the House will not put up with such a proposal?

Sir Geoffrey Howe: The hon. Gentleman has misunderstood the position. The scope and coverage of VAT in this country does not relate to the proposal, which has been accepted, for an increase in resources by raising the maximum VAT rate. They are quite separate and distinct from each other. Under the adjustments agreed at Fontainebleau, which include the acceptance of a possible increase in own resources, our adjusted net contribution will be about half what it would have been without that agreement, and our effective VAT rate in the Community will remain below the 1 per cent.

Mr. Yeo: Does my right hon. and learned Friend share my hope that any increase in own resources will be subject to the same critical scrutiny as the Government quite properly apply to all sectors of public expenditure? Will he undertake not to recommend the House to accept any such increase in own resources unless it can be shown that it is in the interests of Britain?

Sir Geoffrey Howe: The question of an increase in own resources has at all times been stated to be conditional

upon other conditions being fulfilled. That remains the position. It is on that basis that it will eventually be brought before the House.

Mr. Foulkes: Can the Foreign Secretary tell the House how much of the increase in own resources is attributable to enlargement, how much is attributable to paying the United Kingdom abatement and how much is attributable to new expenditure? Can the Foreign Secretary also tell the House what will happen to the United Kingdom abatement if there is a delay in enlargement and a delay in the agreement to increase own resources?

Sir Geoffrey Howe: There is no recent estimate of the extent of the increase that is likely to be necessary as a result of enlargement. Earlier Commission estimates suggested that at the end of the transitional period enlargement would cost annually between 0·1 and 0·2 per cent. of the present VAT ceiling. The increase in own resources is connected with enlargement. That is why the Fontainebleau agreement provides for 1 January 1986 as the completion date for the enlargement negotiations. The agreement also provides for the abatement of the United Kingdom's contribution for 1985 to be met on the revenue side during that year.

Mr. Budgen: Will my right hon. and learned Friend explain why the public expenditure White Paper published yesterday anticipates that a further supplementary payment of £200 million will be required to be paid to the EEC in 1985?

Sir Geoffrey Howe: There are a number of reasons for variations between the figures set out in the public expenditure White Papers for this year and last year. I should not like to hazard an answer to the question posed by my hon. Friend on the premise that his question might be accurately founded.

Mr. Spearing: I understand that the scope of VAT in the United Kingdom is partly, at least, the responsibility of the Chancellor of the Exchequer and partly that of the European Economic Community, does the Foreign Secretary agree that the actual rate of VAT "take" that we now send to the EEC is in the region of 10 or 11 per cent.? Will not that go up with the increase in own resources, and does it not increase if sterling declines relative to the ecu?

Sir Geoffrey Howe: It is right that the increase in the own resource ceiling, while not affecting the VAT rate payable by way of tax in this country, is bound to have an effect on the sum being transferred, gross, from this country to the EEC. That was the importance of securing in the course of the Fontainebleau negotiations the machinery that we achieved for the very substantial abatement of our own contribution, thus achieving the significant reduction in our net contribution that I have described.

Spain and Portugal

36. **Mr. Pike** asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with progress on the accession of Spain and Portugal to the European Economic Community.

Mr. Rifkind: The Community and the applicant states are now in the final stages of the accession negotiations, after the agreement on Community negotiating positions on fisheries and wine. Agreement was also reached in December on arrangements for the dismantling of Spain's highly protective industrial tariff regime. We are working for completion of the negotiations as soon as possible so that Spain and Portugal may accede on 1 January 1986.

Mr. Pike: Is the Minister aware of the views of the new President of the Foreign Affairs Council, who indicated that he hoped for the early accession of Spain and Portugal in order to increase the own resources element as soon as possible and also to aid the Community's problems during the coming year? How realistic does the Minister think these views are, and what prospect is there of achieving that aim?

Mr. Rifkind: As I said, there has been considerable progress in the past few weeks and it is still perfectly possible to keep to the political commitment to allow the negotiations to be concluded at a time that will enable the ratification procedures by each of the member states to be concluded, thereby permitting Spain and Portugal to enter the Community on the date proposed.

Mr. Jim Spicer: My hon. Friend made no mention of the problems of the Spanish fishing fleet,. In view of the size of that fleet that seems to be a major obstacle that has still to be overcome. Will he say a word about that?

Mr. Rifkind: My hon. Friend is correct. That is one of the remaining outstanding issues. The Community has adopted a position that is in accordance with the enormous importance that we attach to the fisheries question. It will prove a complicated question, but the Spanish Government are realistic enough to realise that the Community, having acquired a common fisheries policy only after many years of difficult negotiation, would not be able to consider any significant change to it that weakened the protection that is afforded to existing fishermen within the Community.

Community Budget

37. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs if the Council of Foreign Ministers has approved the European Economic Community budget for 1985; and what proportion of the budget is to be spent on agriculture.

Mr. Rifkind: The draft European Community budget for 1985 was rejected by the European Parliament on 13 December. The exact proportion of the budget to be spent on agriculture is not, therefore, established.

Mr. Deakins: Will the hon. Gentleman accept that in the draft budget, although rejected by the European Assembly, the proportion to be spent on agriculture rose last year from 67 to 74 per cent., and that there has been a decline in real terms on the other programmes of major interest to Britain? What is there in the new mechanism of budget discipline that will prevent agriculture getting a larger and larger share of the Community budget in future?

Mr. Rifkind: The figure in the draft budget is 73 per cent., which is unacceptably high, although it is considerably lower than the average figure during the previous Labour Government, which I think was 76 per cent. With regard to the implications, I refer the hon. Gentleman to the agreement that has been reached, which binds the members of the Council of Ministers to ensure that any increase in agricultural expenditure is less than the

growth in own resources. That is not a growth of 40 per cent., as the hon. Gentleman incorrectly suggested in the debate in the House yesterday.

Mr. Marlow: Is there likely to be a supplementary budget for 1985? If so, as the United Kingdom is the country that is most concerned and which works hardest for financial discipline, will he undertake to the House that we shall not be required to make a net contribution, as we did yesterday?

Mr. Rifkind: As my hon. Friend is well aware, the draft budget that was sent to the European Parliament did not reflect the likely commitments of the Community during the year in question, but did reflect the legal limit of the 1 per cent. ceiling. The precise way in which that particular problem is to be resolved has still to be agreed, but, as my hon. Friend the Economic Secretary said yesterday, we cannot rule out the possibility, or indeed the likelihood, of some form of supplementary finance being necessary.

Dr. M. S. Miller: What steps is the hon. Gentleman taking to protect British interests in relation to the accession of Spain and Portugal in connection with that matter? The British situation will worsen, as Spain and Portugal are likely to be net beneficiaries from the Common Market.

Mr. Rifkind: Certainly the whole reason why the negotiations with Spain and Portugal have lasted so long is that the Community as a whole, including the United Kingdom, has been determined to be cautious to ensure that the financial implications of enlargement are kept to a minimum. One of the United Kingdom's main objectives is to ensure that mistakes that were made in the past with regard to northern agriculture, which produced unacceptable surpluses, should not be made with regard to Mediterranean agriculture. That is a particular priority.

Mr. Dykes: Now that the system of financial control and husbandry in the Community is largely resolved, is it not rather sad and pathetic that some hon. Members should continue to grumble about the possibility of the United Kingdom paying an extra amount this year into the budget which would represent 0·07 per cent. of our GNP compared with the United Kingdom's existing budget deficit, which represents 2·25 per cent. of GNP?

Mr. Rifkind: My hon. Friend is right to put the matter in its proper perspective, but we must also insist that any increase in the resources of the Community is used for desirable areas of extra expenditure and does not contribute to the continuation of undesirable and unnecessary surpluses.

Mr. George Robertson: Is there not something bizarre and indefensible about a draft budget that will increase the proportion to be spent on agriculture from 67 to 73·7 per cent., which is closer to 74 than 73 per cent., at a time when over 14 million European Community citizens are out of work, and more than 25 per cent. of all young people in the Community are out of work, especially when that will be at the cost of programmes in industry, energy, transport, science and technology, which could make the best contribution to increasing the industrial viability of the European Community countries?

Mr. Rifkind: I entirely agree with the hon. Gentleman that the proportion of the budget represented by agriculture is unacceptably high. It is precisely for that reason that the United Kingdom has successfully insisted on a new formula that will ensure that agriculture will progressively represent a smaller and smaller share of the total Community budget.

Community Reform

38. **Mr. Teddy Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement outlining his aims for the achievement of reforms in the European Economic Community in 1985.

Sir Geoffrey Howe: Our aims were set out in our paper "Europe—The Future", copies of which are available in the Library of the House, and in the Queen's Speech of November last year.

Mr. Taylor: Will my right hon. and learned Friend make it clear that in 1985 the Government will provide no official co-operation whatsoever to the bands of so-called European Members of Parliament who descend on this country to investigate matters of purely domestic interest, such as the conduct of the police during the miners' strike? Will he deny access to such groups?

Sir Geoffrey Howe: The question of such groups having access to this country does not arise, as I understand it, because the bureau of the European Parliament, the Standing Committee, decided that the Committee could meet only in Strasbourg, Brussels or Luxembourg—its working places. Certainly I can give my hon. Friend the assurance that we will not co-operate with inquiries on subjects outside the European Parliament's responsibility. That includes policing matters. It is deplorable that the Labour party allowed this matter to be dragged on to the Floor at Strasbourg, with very scant respect for the authority of this House.

Dr. Owen: Does the Foreign Secretary agree that it is now a major British interest to establish a genuine internal market, particularly in insurance and financial services? This becomes ever more important with the enlargement of the Community to 12. Does he further agree that that will be achieved only by more extensive use of majority voting and that Britain should not block but should encourage this?

Sir Geoffrey Howe: I certainly agree with the right hon. Gentleman about the great importance for employment prospects throughout the Community of swift and comprehensive progress in establishing an effective internal common market in insurance and many other services. I do not believe that it is necessary to contemplate any change in the existing treaty provisions, provided that they are used effectively to achieve substantial advances towards a proper internal market.

Dublin Summit

39. **Mr. Tony Lloyd** asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with progress made in implementing the decisions of the Dublin summit.

Sir Geoffrey Howe: The decisions reached at Dublin helped set in place for the first time a mechanism to control Community spending. As a result of the discussions on enlargement, the negotiations with Spain and Portugal are now entering their final stages.

Mr. Lloyd: In view of the overwhelming good will and compassion of the ordinary people of this country and throughout Europe to those who are starving in the Sahel region of north Africa, can the Foreign Secretary tell the House why progress has been so slow in implementing the decision taken in Dublin to provide 1·2 million tonnes of grain to that region, especially in the light of the 139 per cent. increase in grain stocks in Europe?

Sir Geoffrey Howe: The substantial food aid commitments that were made by the Community in November are being delivered now. The commitments made in Dublin enabled the Community and the recipient countries to plan famine relief throughout the year ahead.

Mr. Forth: Will my right hon. and learned Friend confirm that he will not ask the House to approve any increase in EC resources until the conclusion of the enlargement negotiations? If enlargement is not to be recommended to the House because the negotiations have not succeeded, will he confirm that he will not ask for an increase in EC resources?

Sir Geoffrey Howe: Plainly, there is a close link between the conclusion of the enlargement negotiations and the time at which an application for an increase in own resources will be brought before the House.

Mr. Hardy: Since summits over the last few years have persistently committed themselves to reducing the amount of money granted for the support and subsidy of agriculture, and since in that period no reduction in such expenditure has occurred, when can the House expect to be informed that there has been such a reduction?

Sir Geoffrey Howe: The hon. Gentleman is one among many who believe that it is possible easily to reconcile the case, supported in all parts of the House, for support for our agriculture industry with a proper management of the resources devoted to that purpose. As a result of the decisions reached at Fontainebleau, an effective budgetary discipline has been put in place and a series of policy decisions have been taken either for the freezing or the reduction of prices, and for the installation of quotas. To give just one example, as a result of those decisions a substantial reduction in the output and, therefore, ultimately the cost, of milk is taking place. That policy will have to be sustained for a number of years.

Institutional Progress

41. **Mr. Dykes** asked the Secretary of State for Foreign and Commonwealth Affairs if he plans to press for an early meeting of European Economic Community Ministers with the newly appointed commissioner in Brussels to discuss ways and means of securing new institutional progress within the Community structure.

Mr. Rifkind: Discussion is already taking place in the Ad Hoc Committee on Institutions. The European Community Commission is represented on this committee by Mr. Ripa di Meana.

Mr. Dykes: Is my hon. Friend aware that I meant commissioners in the plural? As there is a need to press ahead with developments in the Community, and as the new Commission is beginning to make plenty of new suggestions, cannot the European Parliament and Commission, working together with the Council, achieve a new form of progress that will stand in contrast with the conflicts that have existed between those institutions in the past?

Mr. Rifkind: The Ad Hoc Committee on Institutions was appointed by the Heads of Government to look at this issue. A commissioner was appointed to it to ensure that the Commission's views would be fully taken into account in any recommendations made by the committee.

Several Hon. Members *rose*——

Mr. Speaker: Order. We started these EEC questions one minute late, so I shall call one more question.

Spending Priorities

42. **Mr. Park** asked the Secretary of State for Foreign and Commonwealth Affairs what effect he expects the text on budgetary discipline adopted at the Dublin summit will have on the spending priorities of the European Economic Community.

Sir Geoffrey Howe: Your precision is admirable, Mr. Speaker.

The agreement provides that the net expenditure relating to agriculture markets will increase by less than the rate of growth of the own resources base. This provision should allow greater headroom within the VAT ceiling for expenditure on non-agriculture policies, in accordance with the maximum rate provisions of the treaty.

Mr. Park: Is it not a fact that the budgetary discipline document will do nothing to prevent agricultural expenditure from increasing as a proportion of the budget? Given the vast surplus in all farm products, is there any justification for such an increase?

Sir Geoffrey Howe: The budgetary discipline provisions provide a framework within which the decisions about agricultural prices will have to be taken. As a result, the increase in the 1985 draft budget for CAP spending stands at 5 per cent., which is the lowest figure for several years. Under the Labour Government the average annual increase was 28 per cent. Thus, the measures are already having an effect.

Coal Mining Dispute

3.32 pm

Mr. Geoffrey Lofthouse (Pontefract and Castleford): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter — *[Interruption.]*—that should have urgent consideration, namely,

"the coal mining dispute."

Before those public school punks on the Conservative Benches take any more sadistic pleasure out of the plight of the miners, perhaps they will listen to the case. Yesterday you, Mr. Speaker, said:

"I am in no doubt that an appropriate moment, and when it will be helpful to the settlement of the dispute, we should have a debate on this matter."—[*Official Report*, 22 January 1985; Vol 71, c.878.]

I believe that the time has now come to hold that debate. The matter is certainly urgent and specific. The Government caused the dispute in the first place by their decision on Cortonwood, and they have deliberately manipulated the miners strike. It is reported to have cost between £90 million and £100 million a week to try to defeat the miners. But the Chancellor of the Exchequer believes that that is a good investment. The Government never take any notice of the social costs involved.

The Government have a responsibility for creating the great distress that exists in the mining industry — *[Interruption.]*

Mr. Speaker: Order.

Mr. Lofthouse: There are great hardships, broken marriages, shocking bitterness and business bankruptcies. In my area the local chamber of trade has assessed that 25 per cent. of the businesses will be going out of business — yet we see the grinning and sadistic pleasure of Conservative Members. Let me say to Conservative Members who do not understand the situation that miners —*[Interruption.]*

Mr. Speaker: Order. I ask the House to allow the hon. Gentleman to make his application. He is addressing me and not, as he said, Conservative Members.

Mr. Lofthouse: I am grateful, Mr. Speaker, but I can assure you that Conservative Members will not stop me from putting the case.

The miners and the mining communities are not bothered about personalities. They are bothered that their jobs and standard of living are being destroyed. Most of the 42 per cent. of youngsters under the age of 25 in my constituency would normally have found their way into the mining industry. The Government have a duty to say in a debate in the House what opportunities those young people will have when the Government have destroyed the pits.

The miners feel, as do I and many hon. Members, that the door is open for negotiations. They feel also that the Prime Minister and the Government, and all the Prime Minister's satellites on the Conservative Benches, believe that if they sit back and do nothing they will drive the miners back to work through hunger, poverty and distress —and there is some evidence that some men, through sheer hardship, and not through any disloyalty to their union have been driven back to work. If the Government know anything at all about the miners or the mining community, they will or should know that that is the worst possible thing because, although the miners may be driven back to work in that way, the country will still need coal and will still need the good will of the miners. That is not a victory, if that is what the Government think it is.

The present situation is very serious. It is not sufficient for people to say, "All right, we've taught them a lesson —go to the bitter end and make quite sure that we rub their noses in the mud and that we starve them back." The miners have a right, after their past performances on behalf of the country, to expect that the Government, even if they feel that they will achieve a great victory, will exercise their duty to consider that the dispute should be settled by negotiation and to bring about an honourable settlement. I hope that you, Mr. Speaker, will feel able to grant the application.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the coal mining dispute."

I have listened with great care to what the hon. Gentleman has said. I stand by what I said yesterday on a similar application. However, I regret that I do not consider that the matter which he has raised is appropriate for discussion under Standing Order No. 10, and I cannot, therefore, submit his application to the House.

Mr. Alec Woodall (Hemsworth): On a point of order, Mr. Speaker.

Sir Kenneth Lewis (Stamford and Spalding): On a point of order, Mr. Speaker.

Mr. Speaker: Order. There is to be another application under Standing Order No. 10. I will take the points of order afterwards.

Mr. Woodall: My point of order arises out of the application made by my hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse).

Mr. Speaker: Order. I will not take the hon. Gentleman's point of order now.

3.41 pm

Mr. Bob Clay (Sunderland, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration — it is a different aspect of the mining dispute — namely,

"the further evidence that has emerged last night and this morning that the Government and elements in the National Coal Board are determined to prevent a negotiated settlement of the mining dispute."

The matter is specific because, as was revealed last night and commented on this morning, at 5 minutes to 1 on Monday, the NUM went to Hobart house and, from then until 25 minutes past 3, had discussions with Mr. Ned Smith. At the end of those discussions, a minute was signed by both sides recording that they both viewed the discussions as having been useful.

As the union representatives left Hobart house at 3.25 —no one having left the room since 5 minutes to 1— they were greeted by the 1 o'clock edition of *The Standard* which quoted Mr. Michael Eaton as saying that the talks had failed. It is clear that a senior official of the NCB, who must have had authority from the Government, had told the press that the talks had failed even before they had

started. If further evidence were needed of the determination of the Government and the hawks in the NCB to prevent negotiations on any conditions, that is it.

If any senior member of a nationalised industry behaved in that manner in any dispute, it would be a matter of grave and immediate public concern, whatever the length of the dispute or the matter at issue. For a senior NCB representative to announce to the press that talks had failed before they had even started would be a serious enough matter at any time. In current circumstances, it is infinitely more serious.

The matter is specific and of great public importance and it is also urgent. There are some matters that Conservative Members pretend to fail to understand. I was told today—as I am told every day—by representatives of the NUM in Durham that when that sort of thing happens it leaves men on the picket line with the feeling that they have no recourse left. If they are to be told that there will not be a negotiated settlement and they are determined not to go back to work, the feeling is that sooner or later—and probably sooner, because every time the Government behave like this it makes it more imminent—disorder will break out—[HON. MEMBERS: "Threats."] Of course it is not a threat; it is an observation of reality. People who believe that Parliament does not give a damn about what is happening have no recourse left. That is what Conservative Members do not understand.

I urge you, Mr. Speaker, in the interests of Parliament, to disregard the indifference of Conservative Members and to ensure that this desperately important matter is debated.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the further evidence that has emerged last night and this morning that the Government and elements in the National Coal Board are determined to prevent a negotiated settlement of the mining dispute."

I have to give the hon. Gentleman the same answer that I gave to his hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse). I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 10. The hon. Gentleman knows that the only decision that I have to take is whether the matter should take precedence over the business set down for today or tomorrow. I regret that I do not consider that the matter that he has raised is appropriate for debate under Standing Order No. 10 today.

Mr. Woodall: On a point of order, Mr. Speaker. I do not wish to contest your ruling, but in the recent abortive attempt to resume talks between the National Coal Board and the National Union of Mineworkers—I raise this matter in the presence of the Leader of the House—it appears that there has been indecent haste on the part of the Government through the Secretary of State for Energy and National Coal Board spokesmen—[HON. MEMBERS: "Progress".]—to deny that there has been any attempt by the Government to abort the attempt to resume talks —*[Interruption.]*

Mr. Speaker: Order.

Mr. Woodall: Conservative Members are a rowdy lot.

Mr. Speaker: Order. I think that the hon. Gentleman is tempting Conservative Members by raising matters that are rather wide of his point of order.

Mr. Woodall: I accept that, Mr. Speaker. My appeal through you is to the Leader of the House.

Mr. Speaker: This is not really a matter for me. There will be an opportunity during business questions tomorrow to question the Leader of the House on business for the following week. I can deal only with points of order that are matters for to me.

Mr. Woodall; With due respect, Mr. Speaker, I accept that. However, Her Majesty's Government, through the Secretary of State for Energy and NCB spokesmen, sought to deny that they had interfered almost before any accusation had been made.

Mr. Speaker: The hon. Gentleman is an experienced Member and he knows that he is raising matters that I cannot answer.

Sir Kenneth Lewis (Stamford and Spalding): On a point of order, Mr. Speaker. Have you received today, Mr. Speaker, any requests from the Leader of the Opposition or the Shadow Leader of the House to change the business for today, which is an Opposition Day, from a debate on post office closures to one on the miners strike?

Mr. Speaker: The hon. Gentleman is even more experienced in this place than I am. He knows that an application of that sort would not be made to me.

Mr. Peter Hardy (Wentworth): On a point of order, Mr. Speaker. I do not challenge your decisions on the Standing Order No. 10 applications, Mr. Speaker, but it will be within your recollection that at Question Time Conservative Members were sustained by a ministerial reply on the interests of the European Parliament in certain aspects of the miners strike. The Minister said—some of us would have some sympathy with him—that the Government would afford no facilities to the European Parliament to consider the aspects of the miners strike in which it has expressed an interest. If the Government are refusing, quite properly, to afford any facilities to the European Parliament to interest itself in aspects of the miners strike, perhaps you will agree, Mr. Speaker, that the Government should not refuse to afford facilities to the House to fulfil the same responsibilities.

Mr. Speaker: Again, that is not a matter for me. The business for next week will be announced tomorrow and none of us knows what will feature in that.

Mr. Anthony Steen (South Hams): On a point of order, Mr. Speaker. I wonder whether you are aware that there has been the unilateral withdrawal of Post Office services today in the House of Commons Post Office. This is obviously having adverse effects on the services that Members can give their constituents. We pay tribute to the sterling work of the House of Commons Post Office and that of its workers, but if the withdrawal of services is to become a regular occurrence, Mr. Speaker, will you make alternative arrangements for Members of Parliament?

Mr. Speaker: I have heard that certain services will be withdrawn for a period today. I hope that this will not recur. It may be that this serious matter, which has caused many difficulties, will be overcome in due course.

Mr. Jeremy Corbyn (Islington, North): Further to points of order concerning the miners strike and the applications made under Standing Order No. 10, Mr. Speaker, I do not wish, Mr. Speaker, to challenge your

[Mr. Jeremy Corbyn]

ruling in any way. I believe that the points made by my hon. Friend the Member for Sunderland, North (Mr. Clay) are extremely important and serious. Would it be in order for the Secretary of State for Energy to make a statement to the House on the cost of the dispute, his involvement in the NCB and communications with NCB officials on Sunday and Monday which led to newspaper stories appearing before the conclusion of the meeting between the NUM and NCB officials?

Mr. Speaker: The hon. Member has not been a Member as long as others in the Chamber, or he would know that newspapers make statements that do not necessarily have any relevance to the House.

Mr. J. F. Pawsey (Rugby and Kenilworth): Further to the point of order raised by my hon. Friend the Member for South Hams (Mr. Steen), can you, Mr. Speaker, advise the House with whom discussions took place about the withdrawal of the facilities at the Members' Post Office and when those discussions occurred? The action seriously impedes Members in the execution of their duties.

Mr. Speaker: I do not know the answer to that question. I shall look into the matter.

Mr. Sydney Bidwell (Ealing, Southall): Further to the points of order about the mining dispute, Mr. Speaker. Is there anything to prevent the Leader of the House from announcing that there is likely to be a debate in the House?

Mr. Speaker: That is patently not a matter for me. A business statement will be made tomorrow.

Mr. Michael Meadowcroft (Leeds, West): On a point of order, Mr. Speaker. Some hon. Members, including myself, feel that it is important to debate the mining dispute but are concerned about the fact that, day by day, the business of the House is interrupted at about 3.30 pm. Some of us have no power to compel the Government to hold a debate in Government time or to compel the Opposition to initiate a debate in Opposition time. I urge, therefore, that time be allocated for a debate so that we can avoid continued disruption at 3·30 pm.

Mr. Speaker: I, too, am disturbed by the fact that I continually have to hear applications under Standing Order No. 10, but that is my duty and my responsibility. I have to make difficult judgments on these matters, and I have had to make a difficult judgment today. I cannot go beyond what I have already said.

Mr. Peter Bruinvels (Leicester, East): On a point of order, Mr. Speaker. Is it not hypocritical and an abuse of this House, to demand today of all days a debate under Standing Order No. 10 when the Opposition claim that the closure of post offices is a far more serious matter?—*[Interruption.]*—If the Opposition, some of whom are threatening the House—

Mr. Speaker: Order. I cannot hear the hon. Member.

Mr. Bruinvels: I was referring to an abuse of the House and the hypocrisy—*[Interruption.]*

Mr. Speaker: Order. The hon. Member, like me, does not have the advantage of great height which others have. I cannot hear what he is saying.

Mr. Bruinvels: Thank you, Mr. Speaker. I shall try to make up for it with my voice. Is it not hypocrisy for the Opposition to demand today of all days that there should be a debate under Standing Order No. 10 on the mining dipute when the Opposition wish to hold a special debate on post offices? If the Opposition consider that the closures of post offices is not as important as the miners, why have they not ceded the debate on post offices? I suggest, as a means of helping you, Mr. Speaker, that the Opposition might like to come to the House on Friday to debate the miners dispute.

Mr. Speaker: The hon. Member and the House know that I am not responsible for the subjects for debate chosen by the Government or the Opposition.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. As a keen observer of these matters, and as reference was made last Thursday, unwisely or otherwise, to there being a planned operation, would you now consider drawing up a list—it would have to be a long one—of all those Members who have jumped on to the bandwagon since then? Now that the Liberals and possibly even the Social Democrats are joining in, I suspect that if you drew up a list on a big sheet of paper and then had a good look at it you might well reach the conclusion, by early next week or even before then, that the planned operation was necessary and that we might as well get on the journey.

Mr. Speaker: I do not think that I want to get writer's cramp.

Companies (Procedure)

3.55 pm

Sir Brandon Rhys Williams (Kensington): I beg to move,

That leave be given to bring in a Bill to amend the law relating to the election and responsibilities of directors of companies; to require the circulation of particulars of candidates to the members and the consideration of the appointment of non-executive directors before any election of directors; to require the directors to prepare certain data and estimates; to make provision in regard to the establishment of audit committees; and to make other changes in the law relating to companies.

I am seeking once again to introduce a Bill relating to company procedure. I am sure that the whole House is concerned that the British economy should function as efficiently and as fruitfully as possible. I hope that the House will also consider that there is a need to examine the provisions of company law, especially as it relates to the functioning of small and medium-sized companies.

I have introduced a Bill on this subject in every Session since 1969 and I hope that on this occasion, too, the House will consider that my Bill deserves to make progress. I know that the Government are actively and rightly concerned at this time with the protection of investors when they are setting out to make their choice of investment. The Insolvency Bill, which recently had its Second Reading in the other place, is also concerned to deal with companies that have come to the end of their days. It seems to me, however, that there is a gap in the consideration given by the Government to what might be described as the middle ground—that is, the protecting of investments that people make in companies that then do not function as efficiently and effectively as they might. I believe that this gap in our company law deserves the attention of the House. I appreciate that a monumental job is now in progress in the consolidation of existing company law, but, as any practitioner will confirm, much of our company law is completely obsolete and unworkable in practice.

In every public company there are certain supervisory elements which could work more effectively than they now do for the benefit of customers, the work force, the management and shareholders alike. At present, in all too many cases they cannot function effectively in practice because the necessary procedures and background of law are not provided for them by the House. I am thinking in particular of non-executive directors who, all too often, are weak or ineffective members of boards. I think, too, of the auditors who, all too often, are content to look backwards over a company's performance and to consider it in strictly arithmetical terms, rather than to exert themselves to give boards and senior management the advice that they could well be providing as to the future direction of the company. I think, too, of the major institutional sources of finance, which all too often find themselves acting like absentee landlords instead of offering a really effective supervisory service to management—as they also well might and in other countries do.

I believe that quite minor changes in company law, relating mainly to the formal procedures of companies, could make a significant difference and could assist the whole economy to operate more fruitfully. I recognise the objection that the proposals that I have included in my previous Bills—and which I hope to reintroduce now—are of a minor character and that companies, if they chose to do so, could very well do all the things that I recommend within the present framework of the law. That is no reason why there should not be legislation. We need to bring the less progressive companies up to the standards of the best. The House is failing the economy if it allows problems to develop such as are now developing, unnecessarily, in all too many companies.

The Bill deals with the election of directors, ensuring that competition for vacancies on boards will be more effective than it is at present in many cases. The Bill also deals with the preparation of data and estimates, to make sure that a company mobilises its own resources of information about its own likely performance in the market against competition, so that it can judge how profitably it is likely to operate over a period of time.

The Bill also contains recommendations about setting up audit committees. On the New York Stock Exchange it is obligatory for every company that seeks to be quoted to have appointed an audit committee. In this country, the practice, though widely approved, is not often brought into effect. I believe that in our largest companies it should be generally adopted, and that smaller companies would then learn the routine and appreciate the value of setting up an audit committee. It would be desirable to stimulate such a development through legislation. There will, therefore, be a small provision in my Bill to encourage companies to set up audit committees and I intend once again to reprint a schedule showing a form of model practice for the operation of an audit committee. I believe it would deserve the attention of auditors and senior management, showing how the relationship between the boards and the auditors could be improved on a routine basis.

I hope also to include a schedule showing model articles for companies operating as a result of management buy-outs, or in the form of very substantial partnerships. We have not paid sufficient attention to the problems arising when shareholders who are also employees retire from service and wish to dispose of their holdings. There are various possible legislative measures that might be helpful in such circumstances, though I would hesitate to introduce any compulsory measures at this time. However, with the help of hon. Members on both sides of the House, I hope I may be able to draw up a form of model articles for such a company that would be worthy of consideration.

Those are the proposals that I hope to bring in. On two previous occasions I have had the honour of seeing my Bill complete its Committee stage. I believe that on each occasion the House succeeded in attracting attention to areas of company practice that have been neglected and that ought to be studied. I therefore trust that, once again, I shall be given the leave of the House to bring in my Bill.

Question put and agreed to.

Bill ordered to be brought in by Sir Brandon Rhys Williams, Mr. Sydney Bidwell, Sir Edward du Cann, Mr. Bob Edwards, Sir Anthony Grant, Mr. Jeremy Hanley, Mr. Robert McCrindle, Sir David Price, Mr. Tim Rathbone, Mr. Tim Smith, Mr. Richard Wainwright, and Mr. Mark Wolfson.

COMPANIES (PROCEDURE)

Sir Brandon Rhys Williams accordingly presented a Bill to amend the law relating to the election and responsibilities of directors of companies; to require the circulation of particulars of candidates to the members and the consideration of the appointment of non-executive directors before any election of directors; to require the directors to prepare certain data and estimates; to make provision in regard to the establishment of audit committees; and to make other changes in the law relating to companies: And the same was read the First time; and ordered to be read a Second time upon Friday 3 May and to be printed. [Bill No. 62.]

Opposition Day

[5TH ALLOTTED DAY]—*considered*

Post Office Closures

Mr. Speaker: Before we proceed with the debate, I should like to announce to the House that I have selected the amendment in the name of the Prime Minister.

I understand that it is hoped to end the debate at about 7 pm. A very large number of right hon. and hon. Members have so far indicated their wish to take part. Unless they speak briefly, we may be here until 10 pm.

4.5 pm

Mr. John Smith (Monklands, East): I beg to move,

That this House regrets that the financial policies of the Government towards the Post Office may lead to the closure of 78 Crown post offices and 900 sub post offices and to other reductions of Post Office facilities, thus causing serious social harm, inconvenience and disadvantage, particularly to the elderly, the disabled and the parents of small children and imposing extra travelling expense; and calls upon the Government to moderate its financial requirement so that an extensive and socially responsive network of post offices is maintained.

I need hardly seek to persuade the House of the social value of the network of post offices that this country has enjoyed for many years. For many communities and, probably, groups in every community, the post office—whether a Crown post office or a more humble sub-post office—is not just a retail outlet for the normal services of a postal system. Post offices happen to be part of the largest retail chain in the United Kingdom, but they are much more than that. The post office is a vital contact point in the administration of our social security system, and it is the most important and often crucial connection between many of our citizens and the organisation of the state.

As the principal disbursement agency for retirement pensions and family and disablement benefits, the post office probably performs a unique role. There are three groups of people who particularly rely upon its services and upon easy access to them. A large majority of our senior citizens in receipt of retirement pensions collect those pensions from the post office. Their weekly visit is not just a business transaction. It is often a social occasion of great importance to them. At the post office they meet their friends and neighbours as well as collect their pensions. For the mothers, and sometimes the fathers, of young children, easy access to a post office to collect child benefit is of great assistance. For the disabled, such access is not only important but is at the heart of the service that we provide.

The post office's customers probably include the least mobile members of society. Small distances can often make all the difference to their capacity to go in person to collect their benefits. Our network of convenient post office counters is one of the most important facilities for disabled people.

Post offices in the United Kingdom may well be unique in that respect. No doubt international comparisons will be made in the debate with reference to the number of post offices in relation to the size of the population. We must always bear in mind that post offices in many other countries do not fulfil the obligations laid upon the post

office here as the payment centre for social security. In any event, I am not impressed by international comparisons in this context. It may be pointed out that in West Germany, France, Italy, Japan or the United States, fewer post offices serve as many people. I do not conclude that we should reduce our services to the low international mean. If we have a better service—as I believe that we have—we should retain it. We should remain superior and continue to provide a better service.

The social obligations and the importance of the post offices have been recognised by Parliament, which has placed statutory social responsibilities, as well as commercial obligations, on the Post Office Corporation. At the heart of our debate is the question of balancing social and commercial responsibilities. We believe that the Government's financial policies towards the Post Office have beome so rigorous, enforcing commerciality of an especially narrow kind, that the social responsibilties have been allowed to become subordinate and are steadily being eroded.

A closure programme involving 78 Crown post offices and 900 sub-post offices is being embarked upon. I have chosen to state the figures positively in the motion, hoping that they bring home to Parliament and the public the scale of the closure programme. In all of the documents that the Post Office and the Government have provided concerning closures, the issue has been approached in a different way. We are told that there might be some difficulty with the network of counters, but that we can rest assured that 95 per cent. of the network will be maintained. It is never stated that 900 sub-post offices and 78 Crown post offices will be closed, although that is the truth. One of the consultation documents says that

"the strategy involves some proposals for reducing the network, there will be proper consultation before any closures are carried out".

I know that some of my right hon. and hon. Friends have some doubt about the effectiveness of consultation, especially in regard to some of the proposals that have been made in their constituencies.

It is all very well to talk in terms of percentages and to say that there will be a 5 per cent. reduction or that the network will remain at 95 per cent. of its former size, but for the area that loses its post office the loss is not 5 per cent. but 100 per cent. For people who depend on the facilities of a post office, such a closure is a serious withdrawal of facilities which makes the service less valuable.

Why are the Government's financial policies having this effect on the Post Office when it is making a profit? In the first six months of this year, the Post Office made a profit of £40 million. As it usually makes much more in the second half of the year because of Christmas and other factors, it is clearly heading for a profit of more than £100 million. Such a profit is a credit to the corporation's efficiency. When the Post Office is doing a good job for the public by making such a large profit and contributing to the state, why should there have to be closures? For financial purposes, counter services are reckoned in isolation, but they also make a substantial profit—it is likely to be £12 million this year.

For the answer, we must go back to 1981 when the Government adopted a new approach. The Government changed from paying the Post Office on a cost plus 2 per cent. basis for services provided to Government Departments to what was called an agency services agreement. The new system was introduced in 1982. The new regime sets much more rigorous targets for the Post Office and effectively demands a given level of profit from counter services. The targets have been set at a level which require counter services to be subjected to a major cost-cutting exercise. That necessarily leads to closures when counter services are under pressure because the Government are taking business away from them by encouraging other methods of paying pensions — for example, by direct payments into bank accounts.

I am not suggesting that the Post Office should be the sole vehicle for payments of pensions and the like, but when the Government are reducing the scope of the work that is handled at the counter it cannot make good sense to impose an especially heavy financial burden on counter services. The targets which have been set for counter services neglect grossly the social considerations that must be involved in the balance of social and commercial obligations. The Government are saying not that the Post Office must staunch losses that have been incurred by keeping a substantial number of post offices open, but that post offices must be sacrificed to reach a level of profitability that the Government have determined. Most of us regard that as quite a different proposition from staunching an outflow of public funds which are subsidising post offices. The Post Office is profitable and to insist on it being more profitable, although that involves closing facilities, seems an entirely wrong set of priorities.

We know that the Government's actions will result in big problems and that the savings will not be great. I should like to give an example that illustrates the case dramatically. My hon. Friend the Member for Newham, South (Mr. Spearing) pursued with the Post Office the costs in closing eight post offices in the borough of Newham. He was informed, after some correspondence, that the estimated savings from closing eight post offices was £39,000. That represents less than £5,000 for each post office. The total cost of post offices in the borough of Newham is £1·7 million. For less than £40,000, eight post offices are being removed from the scene. I fail to see how that can ever be regarded as a sensible balancing of social and commercial responsibilities. The savings are paltry as compared with the loss of service. I am grateful to my hon. Friend the Member for Newham, South for, as always, pursuing the matter indefatigably and for producing such a good example.

Our criticism is that counter services are being asked to make too high a contribution to overall profits. The result will be a large loss of jobs and a reduction in services for many people. I am sure that many of my right hon. and hon. Friends and Conservative Members will give examples, drawn from their constituencies, of the social impact of closures. I do not intend to elaborate as I want to enable as many other hon. Members as possible to speak.

The closures seem to many of us to be part of the relentless process of increasing unemployment and reducing public and community services simultaneously. Not one day, let alone one week, goes by without there being another cut in a community service, thus throwing even more people into the dole queue. The Government do not build, but destroy. They do not open new opportunities for our people, but close facilities that are essential to civilised life. Seldom are they persuaded that they are wrong, and they yield only occasionally to public opinion. This is an occasion for Parliament to speak on a

[Mr. John Smith]

crucial community matter and to act. Many Conservative Members have been vocal in their opposition to post office closures in their constituencies. They have a chance today to speak and to vote. As we know from recent history, there are occasions when Conservative Members do not hesitate to try to influence the Government on issues that are close to their hearts or their sense of self-preservation.

We are not asking Conservative Members to commit their Government to an outrageous extension of public expenditure. All we ask, and all that this issue requires, is some moderation in the financial targets that are set for the counter service section of the Post Office, even after the adoption of which substantial profits would accrue. It is not much to ask, but it means a great deal to many disadvantaged people. That is why we feel entitled to ask for the support of the whole House for the motion.

4.18 pm

The Minister for Information Technology (Mr. Geoffrey Pattie): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'recognises that the future of the Post Office counters network will depend on its ability to compete successfully by operating efficiently and reducing the costs of its operation while having regard to the social needs of the United Kingdom; and fully supports the Post Office's efforts to secure by these means the future of an extensive and socially responsive network.'.

The Opposition motion states that

"serious social harm, inconvenience and disadvantage"

may result from the post office closure programme. The right hon. and learned Member for Monklands, East (Mr. Smith) must not be surprised when I say that, by definition,

"serious social harm, inconvenience and disadvantage"

must have applied with equal force to the post office closure programme that took place in the last five years of the Labour Government.

During the first five years of our Administration 734 net post office closures took place, compared with net closures during the last five Labour years of 1,140. That was 230 a year. Is the right hon. and learned Gentleman saying that post office closures under a Conservative Government cause

"serious social harm, inconvenience and disadvantage",

but that post office closures under a Labour Government have a different social effect? Or is he saying that the Labour Government were not responsible for the closures because the earlier Labour Government in 1969 established the Post Office as a separate publicly owned corporation for the purpose of running its own business and with its own board of directors? He would be right, for once, if he were saying that.

Lest there should be any doubt about the matter, the 1978 Labour Government White Paper on nationalised industries set out the basis of the relationship between Government and nationalised industries, and how Government were to discharge their responsibilities for monitoring and control. It is a bit much for the right hon. and learned Gentleman to wax rhetorical, talk about closures and about the Government destroying parts of the framework and infrastructure of Britain. I have just given the figures for post offices. If my right hon. Friend the Secretary of State for Social Services were to give the figures for hospitals, it would be apparent that far more hospitals were closed under the Labour Government than under the Conservative Government, and if today we were having the debate that is so strongly desired by the Opposition that they will not select in their own time—the debate on the miners' dispute—it would become apparent that more coal mines were closed by the Labour Government. Who, then, is engaging in closures?

Mr. John Smith: Our argument is that the adoption of new financial targets in the agencies services agreement is the reason for the closures and is a point of departure from policy by this Government as opposed to previous Governments. The Minister knows that "cost plus 2 per cent." was replaced by new rigorous targets. Does the Minister deny that the closures are caused by the agencies services agreement and the new targets for counter services?

Mr. Pattie: Yes, I do. In 1982-83 the so-called agencies services agreement came into operation. It does not mean a change to a system that requires a mark-up in the services provided for Government Departments. It presupposes real unit reductions consistent with the Post Office's efficiency target. That means that greater efficiency requirements will be made of the Post Office. The agreement does not require a mark-up. The counter network will reduce real unit costs consistent with the whole business target of a real unit cost reduction of 5 per cent. over the three years from 1982 to 1985.

Mr. Harry Ewing (Falkirk, East): No doubt the Minister is pleased with himself for making the clever point about closures under the Labour Government. Does he not understand that the closures were part of an agreement with the unions involved and the public, which was entered into to bring about postal mechanisation? The complaint now is that, the postal mechanisation programme having been completed and the jobs having been surrendered, the workers and the public are being stabbed in the back by the Government who are breaking that agreement.

Mr. Pattie: The Post Office workers are not being stabbed in the back by the Government, or by the Post Office Corporation. Since the establishment of the Post Office as a separate corporation in 1969, no Government have had the power to intervene in the day-to-day decisions and workings of the Post Office. It is interesting that the hon. Gentleman talked about modernisation because in today's *Financial Times* there is news of a new cash machine network which is to be launched, and which has various partners, including the National Girobank. What is being sought is not mere accounting efficiency and returns, but ever-increasing operating efficiency so that the Post Office can compete.

It is important to remind the House that, even after the contemplated programme of closures is completed, there will be the largest retail network of any sort in the country. It will involve 21,000 sub-post offices and 1,567 Crown offices. I shall not make the international comparison to which the right hon. and learned Gentleman alluded, because such comparisons can be misleading.

I share the right hon. and learned Gentleman's belief that many hon. Members will wish to intervene to cite examples from their own constituencies. I imagine that there is hardly a constituency that is not affected by the programme, and mine is no exception. Hon. Members will

tell us of the difficulties that certain individuals have in getting to post offices. When the Opposition use the phrase "serious social harm"——

Mr. John Smith: That is what it is.

Mr. Pattie: I disagree. I am not aware of any products or disbursements of benefits that cannot be disbursed and made available over a post office counter to anyone authorised to act on behalf of a recipient of such a benefit, usually the elderly, infirm and disabled. There are thousands of arrangements of that sort. Throughout the country in the 21,000 sub-post offices and the Crown post offices people draw benefits for other people. The closure programme focuses on urban areas, not rural areas. So long as there are other shops or meeting points in a local community that people can regard as a social meeting place, there will be no serious social harm.

Mr. Charles Wardle (Bexhill and Battle): Is my hon. Friend aware that in my constituency, which has the highest average-aged population in the European Community and where there is therefore an extremely high weekly collection of pensions, there is a proposal to close a sub-post office in Sackville road? Is he further aware that the chairman of the Post Office and senior management have taken a personal interest in the consultation process to ensure that the interests of the many elderly people in the town are adequately safeguarded? Does he agree that that is a clear example of the Post Office's determination to ensure that its social function is properly attended to?

Mr. Pattie: I am grateful to my hon. Friend, who is right to say that all closures are considered carefully, in many cases by the chairman of the Post Office in person and by his staff.

The right hon. and learned Gentleman cast some aspersions on the consultation process. Although it is not a statutory requirement, in at least 10 per cent. of the cases where representations were made the decision was varied. That shows that the process is not a charade. The chairman and the Post Office board would resent any suggestion that it was a charade, because all representations are considered seriously.

Mr. Frank Field (Birkenhead): May I ask the Minister about his representations? When he was told about the closures, did he not believe that they may have a major social impact? If he thought that, did he communicate his views to the Post Office? If he did, what guarantee was he given that there would not be the impact that the Opposition believe there will be?

Mr. Pattie: I did not believe that there would be such a social impact. Therefore, I did not make representations along those lines. I had to satisfy myself that the Post Office's proposals, which meant that 21,000 sub-post offices and 1,567 Crown offices would remain, would leave the network in an effective condition. Once I was satisfied on that, I accepted the proposals. The Post Office alone decides on its operating requirements.

Mr. George Park (Coventry, North-East): Will the Minister give way?

Mr. Pattie: I shall be happy to do so, although I bear in mind what you said, Mr. Speaker, about many hon. Members wishing to speak in the debate.

Mr. Park: The Minister has got it the wrong way round. Did the Government say to the Post Office, "Your profits must be 4 per cent. instead of 2 per cent. and you must meet this?" From my correspondence with Ministers I have learnt that they said, "We set the targets and it is up to the Post Office to implement them." How could the Minister make representations after doing that?

Mr. Pattie: I was asked by the hon. Member for Birkenhead, (Mr. Field) to say whether I shared his view and the view of the Labour party that there would be extensive social damage. I told him that I did not. However, I understand, as does the Post Office, that it cannot close post offices anywhere without causing some inconvenience and increased cost to those who must travel further. But neither factor leads to serious social harm.

The right hon. and learned Member for Monklands, East said that he was worried about the effects not only on Post Office customers, but on staff. I must ask what is best for the Post Office, its customers and staff? Would it help the staff if the Post Office board gave no thought to the efficiency of its operation? What would be the reality of having a post office on every corner? It might be very convenient, but the facility could not be enjoyed for long without someone having to pick up the bill and the entire business being jeopardised. If the Post Office counters network is to operate successfully, it must provide a service that is efficient and effective at prices that customers are prepared to pay. The majority of the business undertaken at counters is work which the Post Office handles on an agency basis for Government Departments, public corporations and local authorities. They use the counters network because it provides a cost-effective way of meeting their requirements. It would be wrong for Departments to be expected to use the network irrespective of the cost of the services provided.

Therefore, to retain existing business and secure new business, it is essential that the counters network provides an efficient and cost-effective service. In this way, the Post Office will secure a future for the counters business, to the benefit of its agency customers, its staff and those who use the services. If it fails to follow that path, it will slip quickly into a vicious circle of charging unattractive prices, losing business, having to charge higher prices to cover its costs and, as a consequence, losing still more business. Once it is in that position, the future of the entire network would be imperilled. I cannot believe that the Labour party would regard that as sensible or desirable.

Mr. Paddy Ashdown (Yeovil): How can the Minister say that the future of the network will be imperilled when the Post Office counters network is making £12·5 million a year?

Mr. Pattie: I would ask the hon. Gentleman to raise his sights for a moment to the future and to say that the important thing for any business is to ensure that it maintains its efficiency. If it makes profits today, that is fine, but will it make profits next year or the year after?

Among those who have made representations to my Department about the closures was the Union of Communication Workers, which expressed concern about the implications for its members in Crown post offices. Clearly, the precise implications must be discussed by the union and the Post Office board. However, I understand that the Post Office expects to carry out the reduction in Crown post offices without redundancies. Apart from 12 closures during the past 18 months, the Post Office plans to close between 60 and 70 Crown offices out of a total

[Mr. Pattie]

of 1,567. The reduction is hardly draconian. The House must recognise the important points that I have made about how vital it is to the future of the network and, therefore, to the jobs in those Crown offices, that the Post Office continues to try to improve efficiency.

As the House will be aware, since 1945, the Post Office has had a criterion of providing post offices at one-mile intervals in urban areas. In 1983, the Post Office instituted a review of the town sub-office network, which showed that against that criterion, despite closures over the years, there was an excess of 2,000 offices. The review also showed that if the Post Office were to limit the urban network to offices that made a financial contribution to central overheads, again, the number of offices was 2,000 more than could be justified. Nonetheless, because of its social obligation, the Post Office decided to restrict the number of sub-offices to be closed to 1,000 or 5 per cent. of the total, with a similar proportion of Crown offices.

A major reason for the excess over the standard criterion was that changes in the distribution of population had not been reflected in the provision of post offices. That was especially the case in the cities and in some inner city areas that had had substantial reductions in population in recent decades, which were not matched by appropriate reductions in the number of post offices, although many offices had been opened to service new centres of population.

Reference has been made to the special needs of areas of social deprivation in old inner city areas. Again, the Post Office has taken that into account. For example, during the past 20 years, the population of inner London has decreased by 28 per cent. The reduction in the network is nothing like that, and inner London will continue to benefit from a network of sub and Crown offices that will be about twice as large as it would be if the Post Office standards in existence since 1945 were applied rigidly. It should also be noted that until the Post Office review showed that the great majority of sub-offices in rural areas were run at a loss to the Post Office, for social reasons the Post Office intended no closures there, except where it was unable to find an acceptable sub-postmaster willing to take on the job.

Mr. Alfred Morris (Manchester, Wythenshawe): The Minister mentioned the social reasons for not closing post offices. Is he aware that the managing director of Post Office counter services told me that there would be a facility for a friend or welfare worker to collect pensions or allowances on behalf of the elderly or disabled? He speaks as though social workers grew on trees. It will be impossible for many elderly and disabled people to make arrangements for the collection of their benefits. Is he further aware that post offices are regarded as community centres where information is available? Will he reconsider the entire proposal?

Mr. Pattie: The hon. Gentleman was not present at the start of the debate, when the right hon. and learned Member for Monklands, East was deploying similar arguments and I dealt with some of those points. In particular, I said that there are many examples of arrangements to ensure that the appropriate benefits are collected, whether by social workers, friends or relatives.

The Government were informed of the outcome of the closure review and of the Post Office board's subsequent decision to reduce the size of the urban network. In accordance with our responsibility for general policy matters, we considered the proposals and were satisfied that the proposals were not inconsistent with the Post Office's statutory duty both as regards social needs and efficiency.

The right hon. and learned Member for Monklands, East spoke about serious social harm. This suggestion does not bear close examination. I have already said that the review revealed 2,000 urban offices in excess of the one-mile criterion and 2,000 urban post offices that are unprofitable, as are about three-quarters of the 11,000 rural post offices. A hard-nosed commercial approach would see all or most of these offices closed. The fact that they are to remain open is the strongest possible evidence that the Government and the Post Office both recognise that the Post Office is not simply a commercial organisation but has social responsibilities as well. The Post Office takes these responsibilities extremely seriously.

Mr. James Couchman (Gillingham): Is my hon. Friend aware that in my tight urban constituency, of the 27 sub-post offices, only one is proposed for closure? That is a quarter of a mile from an under-used Crown office and a quarter of a mile from another sub-post office. Keeping that office open would be taking the social responsibility of the Post Office too far.

Mr. Pattie: I am grateful to my hon. Friend for that point, which requires no further amplification from me.

A further illustration of the acceptance by the Post Office of its social responsibilities was its decision—with no prompting from Government or anyone else—to defer all the Crown office closures then under consideration until the effect of the DHSS's dispute was dealt with. Although the strike has now been resolved, it will still be some four or five months before normal service is resumed, and the closure programme will not be reactivated before then. It also decided to defer all sub-office closures where the sub-postmasters concerned were willing and able to remain in business for the same period. The Post Office has acted with real responsibility during this dispute, and unfairly taken criticism for long queues resulting from industrial action in which it had no involvement.

I pay tribute at this point to the dedication and hard work of the counter staff, who have had to endure many months of an appalling increase in their workload because of the cynical and unjustified strike at the DHSS offices in Newcastle.

I have referred to the Government's recognition of the role that post offices play in the social life of the country, a role that has been recognised by previous Governments and is reflected in the legislation. I have also made it clear that this Government, like their predecessors, also recognise the commercial nature of the business, and this too is covered in the legislation. I think that it would help the House if I set out the statutory position on the Post Office's duty, and correct the misleading impression which the right hon. and learned Gentleman has given by his selective interpretation of the relevant provision.

Mr. Eddie Loyden (Liverpool, Garston): Is not the Minister ignoring the fact that the role of the Post Office has changed dramatically in the post-war period, year by year? Post offices have now become an outlet for the

payment of benefits, and there is a clear responsibility on Government to see that that provision is made. If it is not made by the Post Office, some other agency should be taking up that responsibility. When this matter has been raised, the DHSS, which has prime responsibility for the distribution of benefits, has appeared not to be interested. Traditionally, this has always been a matter for the Post Office, so it is nonsense to say that these closures will not cause social difficulties and hardships. The Minister should visit post offices where sometimes queues for benefit payments extend for 20 or 30 feet outside the post office. What will happen in the future if further closures——

Mr. Deputy Speaker (Mr. Harold Walker): Order. Interventions should be brief. Many other hon. Members are waiting to take part in this debate.

Mr. Pattie: I am probably unwise, Mr. Deputy Speaker, in that, in seeking to assist the House, I gave way perhaps more frequently than I should do, although I was aware of Mr. Speaker's injunction to keep speeches brief as many hon. Members wish to speak in this debate. With your permission, Mr. Deputy Speaker, I shall restrict myself to not giving way any more.

Section 59(2) of the British Telecommunications Act 1981 imposes on the Post Office, in providing its services, a duty to have regard to the social, industrial and commercial needs of the United Kingdom and to efficiency and economy. The Labour party has chosen to ignore the requirements as to efficiency and economy. The right hon. and learned Member for Monklands, East referred to efficiency and economy.

Mr. John Smith: I did not mislead the House.

Mr. Pattie: I did not say that the right hon. and learned Gentleman had misled the House. I should think long and hard before saying that.

I make no apology for the fact that the Government, like their predecessors, look to the Post Office to satisfy its statutory duty as regards efficiency and economy—just what the right hon. and learned Gentleman would like—just as we look to it to satisfy the requirement as to social needs. The right hon. and learned Gentleman has accepted the economic requirement, and we all know that it was established originally by a Labour Government in the 1969 Act. He has rightly said that conflict clearly arises between satisfying the social requirement on the one hand and the efficiency requirement on the other. A post office on every street corner might satisfy social needs but would not be efficient or economic.

In formulating its plans and policies, the Post Office's statutory duty requires it to seek to strike an often difficult balance between the social needs of those whom it serves and the need for reasonable economy and efficiency. It will always be a matter of judgment whether in any particular case it has got the balance right. As I have explained, our judgment was that the Post Office's proposals for the urban counters network were not inconsistent with the Post Office's statutory duty.

However, that is the extent of the Government's involvement. My Department has received a very large number of representations against specific closure proposals, as have other Ministers and my right hon. Friend the Prime Minister. I hope that I have made clear to the House why the response in all cases has been the same. That is to say that the Government are not involved in specific closure proposals and have no power or desire to intervene. I am sure that many hon. Members will give us details about their constituencies, but when my hon. Friend the Under-Secretary of State for Trade and Industry replies to the debate the answer will be exactly the same.

The need for the Post Office to respond to competition is reflected in the Post Office announcement of a network of 180 automatic telling machines, which, in time, will be part of a much larger network provided by it and its partners. Response to competition is why the Post Office is so keen to come forward to the Government with a programme of counter automation this spring.

That also is why the Post Office wants to modernise its premises—so that it can compete. However, it cannot afford to do this if it continues indefinitely to provide a network that remains so much in excess of standards that have existed for 40 years. It was absolutely right that the Post Office should publish the facts so that we could understand what it was doing to provide a viable modern network for the future.

It has been claimed that the Post Office has only had to consider closing post offices because of Government policies, which have taken work away from the counters network. This is another assertion that does not stand up to examination. It is of course a feature of the counters network that it is an operation that has high fixed costs and the economics of running it depend heavily on the volume of business that is undertaken.

When the Post Office put its proposals to us, these included its intentions to consult the National Federation of Sub-Postmasters, the Post Office trade unions and the Post Office Users' National Council. It also confirmed that individual closure proposals would be subject to the existing code of procedure agreed with POUNC, which provides for consultation with local interests before final decisions are made to close an office.

Mr. Max Madden (Bradford, West): That is a sick joke.

Mr. Simon Hughes (Southwark and Bermondsey) *rose*——

Mr. Pattie: I shall not give way. Had the hon. Gentleman been here earlier, he would have heard me say that I had given way consistently and was not prepared to do so any further.

I am aware that criticisms have been made about——

Mr. Hughes *rose*——

Mr. Pattie: I said earlier, whether or not the hon. Gentleman heard me aright, that over 10 per cent. of the proposals that have been examined have resulted in the decisions being varied. It would be something of a slur, which I am sure that the hon. Member for Bradford, West (Mr. Madden) did not intend, upon the Post Office board and upon the senior personnel of the Post Office to suggest that the consultation process, which is not a statutory requirement, is a charade. I know that the hon. Member is not saying that.

Mr. Madden: I am. I said that it was a sick joke.

Mr. Pattie: The hon. Member is, then, saying that. It is most unworthy. He now says that it is a sick joke. I have told him that over 10 per cent. of these consultations result in the decision being varied. It means that if consultation

[Mr. Pattie]

had never taken place there might be some substance in what the hon. Member is saying. The fact that the Post Office has withdrawn proposals in a number of cases demonstrates that it listens to local views. If anybody is open to reason, that must dispose of the suggestion that the consultation procedure is a formality in advance of a foregone conclusion.

I repeat that when the Post Office told the Government about its proposals for reducing the size of the urban counters network we were satisfied that they were not inconsistent with the statutory duty of the Post Office. In undertaking the review and in framing the proposals for closures the Post Office is looking to improvements in the efficiency and cost-effectiveness of the counters network and to securing its future. This exercise must be to the benefit of the community. The Government fully support the Post Office in these efforts.

4.51 pm

Mr. Roy Mason (Barnsley, Central): I was very disappointed in the Minister's speech. He had a cold, unemotional script. He did not appreciate the problems faced by our communities. He gave the impression of not understanding what is happening in the towns, boroughs and rural areas of Great Britain.

I was disturbed and sorry to note in the press of December 1983 a report about the future of town sub-post offices. The report said that more than 1,600 post offices faced closure as a result of an internal review undertaken by the Post Office. The review was to examine the profitability of town sub-post offices and main post offices. Internal minutes of the September meeting of the Postal Business Joint Council revealed that the study concluded that 1,609 of the 9,533 town sub-post offices should be closed if the Post Office insisted that they all made a profit. We all know that the review was forced upon the Post Office as a result of the tough financial targets set for the service.

The Post Office is now specifically looking for loss makers. It is the profit test. Profit, not need, is now the theme. I never thought, as a former Postmaster-General, albeit for a short time, that I would see the day when the profit motive would be determining the existence and future of our sub-post offices. When I was Postmaster-General I was imbued with the spirit that the Post Office cares. All my civil servants cared about the rural post offices, the country pillar box, the rural telephone kiosks. They cared about the service that they provided and they were proud of it. That caring rubbed off on me. That is why I intervene briefly today. However, the profit motive can never be the test of country or rural sub-post offices. Nor should it be the test where a case of need exists and is seen to exist in a town sub-post office. This is a harsh streak in Post Office policy now, emanating from the Government's monetarist policy which is already causing distress to many thousands of people who are sorely in need of help but who, by the Post Office closure decisions, are being denied that help.

I raised the case for the survival of the Union Court sub-post office in Barnsley. The postmistress was about to retire. The postmaster and the chairman of the Post Office used the words "seizing this chance" to close it. That is the language of the profiteer. It is not the caring Post Office that I used to know. The head postmaster in Barnsley informed the interested parties that because the postmistress had tendered her resignation he had formed the view that Union Court could close and that the needs of its customers could be adequately met elsewhere, naming Dodworth road sub-post office as an alternative as well as the town's main post office. The mayor and the councillors met the postmaster and explained the harshness of his decision. The alternatives meant a long walk along hilly terrain for pensioners, with no bus service to cater for them, negotiating traffic through the town, the difficulties of the winter months and the persistent queues in the town post office and a counter service where people queue for 20 minutes for any service at all. Their protest was long and it was loud.

But why all this fuss? Why did the entire town council express opposition to this closure? There was a petition that contained 1,800 signatures in opposition to the closure. There was a demonstration of opposition by pensioners and disabled people outside the general post office. There was a major intervention by Age Concern in Barnsley and district, because this post office was right in the centre of a housing development that was built mainly for pensioners and disabled people, all within 100 yards of the post office. Around the post office are flats and maisonettes just for these people. The fact is that 138 pensioners from nearby high-rise flats use this post office, and eight out of 10 of the disabled and elderly people who live there depend upon it.

This was a special case. The post office was built with local authority assistance. It was custom built, because of the circumstances. It was opened only in 1969 because of the special needs at that time. Since then there has been more development. The local authority is building another 28 dwellings to house 58 aged and handicapped people in the immediate vicinity. The local authority made the appraisal that this post office was an absolute necessity. It would be handy and convenient because of the preponderance of old people in the area. It was a sensible, caring decision. It was caring based on need. That is why we have had over 50 years of unbroken Labour party local authority in Barnsley. It is because the local authority cares.

Nevertheless, the postmaster and the chairman of the Post Office ignored all pleas from all quarters and went ahead with the closure. The mayor, echoing the feelings of the townspeople, said:

> "It is an inhuman decision taken with callous disregard for the needs of the elderly and disabled living in the area".

Even the housing director issued a statement, saying:

> "It seems very unreasonable to me, the council having gone to such considerable capital expense, that the post office should unilaterally withdraw their facility".

So much for consultation with the postmaster and the chairman of the Post Office. These were all storms of genuine protest from all sections of the community. Everybody but the head postmaster believed this closure to be an outrage. The image of the caring, compassionate Post Office service in my town has been blighted. The community will never have the same faith, trust and confidence in the Post Office again.

But that is not all. Since that closure one of the alternatives quoted to us all that could be used, namely, Dodworth road sub-post office, has now been given its notice to close. Indeed, I have no doubt that but for the Newcastle computer strike it would have been closed by now, or we would be once more in the midst of a battle

to save it. However, let the Post Office and the Minister beware that that is yet to come. All over the country there are skirmishes and battles taking place to try to preserve the social role of the Post Office. The point is that 157 sub-post offices closed in the year ending March 1980; 162 in 1981; 62 in 1982; and a further 98 in 1983, most of which have been contested by local people.

The differences between the closures when a Labour Government were in office and now is that need was then recognised. Now it is profit that is recognised. Why should the Post Office be so heartless when the half-year gross profits for 1984-85 are £40 million? Gross profits are therefore running at an annual level of £80 million. The profits are so high because community need is now being neglected. The Post Office is losing its social conscience. That is my sad conclusion.

My Department will be feeling sad and sore at this most invidious predicament in which it finds itself. For the first time that I can remember the British Post Office is being blighted throughout the land because it is being forced down the path of profit and efficiency to the complete disregard of its social, caring and human qualities.

The Government will no doubt reap their electoral reward through all those people whom they have hurt. That time will not be long and when it comes those people will be able to register their national disapproval of the targets that have been set by the Government to force the Post Office down this callous and cruel road.

5 pm

Mr. Conal Gregory (York): Both the substantive motion and the amendment refer to the economic and social aspects of the Post Office's work. I appreciate that the Post Office cannot be treated exclusively as a commercial organisation, and therefore it is right that today we should debate one aspect of its policy. Who is the biggest customer of the Post Office? It is the taxpayer, through the agency of Her Majesty's Government. Efficiency with a social heart should be the watchword of today's debate.

My constituency of York has experienced the closure of three sub-post offices since my election. Those closures illustrate the specific nature of the debate. The Post Office plans to close some 500 post offices nationally in this financial year. It tells the local authority of any office proposed for closure to allow views to be made known. That is well and truly putting the cart before the horse.

The Post Office has seen a decline in its agency work performed for the Government. If it continues to reduce counters, there may well be demand for offices in building societies and clearing banks to take on the agency functions such as cashing pension allowances and family benefit. But the elderly population relies on state pensions.

The Post Office has given an assurance that 95 per cent. of the network will be maintained over the next three years. I have been pleased to learn from the managing director of counter services that the policy to close sub-post offices in urban areas that are within one mile of each other is not rigid. My hon. Friend the Minister for Information Technology referred to a flexibility there. I chose not to join all those hon. Members who intervened, but he did not say where the criterion of one mile came from. Is it because the Post Office's compass works on local geography of one mile? I have not heard a justification for that and I should like to hear it in due course.

How much credence can one attach to the Post Office's statement that

"Each closure proposal is made after full consideration of the economic and social factors"?

I should accept that if the Post Office had consulted the professional people involved—the social workers and voluntary agencies such as Help the Aged, Age Concern, and so on. But in the examples that I am about to come to the social workers and professional people involved were not consulted. The Post Office suggested that the local authority, if it deemed fit, should contact those agencies.

Mr. Chris Smith (Islington, South and Finsbury): The hon. Gentleman may care to reflect on an answer that the Under-Secretary of State for Trade and Industry gave to an Adjournment debate on 9 March 1984 when I raised the question of the one-mile interval. Referring to the Post Office, he said:

"This, it believes, is representative of the fair balance between the service that its customers would like and the costs involved."—[*Official Report*, 9 March 1984; Vol. 55, c. 1156.]

Does that not reveal that we are back at the same old formula that the Minister came out with earlier today about service and cost, with cost predominant in the thinking of the Government and the Post Office?

Mr. Gregory: I well recall reading that Adjournment debate. We are back to the difficult matrix between the social philosophy and the economic aspects to which I, and I am sure other right hon. and hon. Members, will return.

If we take into account not only the distance but also the type of terrain, which may be important in the case of a community home, the alternative facilities, local transport, future plans for the development of the area, and the ability of other offices to absorb the additional business, we can see that a complicated formula faces the Post Office.

Let me refer to three examples from my constituency which illustrate those factors. Poppleton road in York illustrates the agency business. That has now been closed by the Post Office following, as at so many sub-post offices, the retirement of the postmaster. The business was relatively small and the number of pensions dealt with had fallen by some 6 per cent. to about 346 a week and family allowance payments had been reduced by 12 per cent. to 219 in the years 1982-83. But—this is an important factor to bear in mind when considering the elderly, the disabled and the young mother with children—it meant a one-and-a-half-mile round trip to the alternative post office.

Cromer street serves some 8,200 inhabitants in York, of whom 1,335 are elderly. It is in a primarily residential shopping area and is certainly disadvantaged. In that catchment area over 900 people claim housing benefit and 229 claim rent allowances. Clifton sub-post office, the alternative, lies about one mile away, but that involves crossing a busy main road. That is another factor that the Post Office management needs to consider seriously. Crichton avenue sub-post office is some 740 yards away.

If the post office in Heslington road is closed, as has been proposed by the postmaster, the elderly will have to cross the heavy traffic at Barbican road, Lawrence street and Foss Islands road, which are en route to the proposed alternative of Walmgate sub-post office. We are talking about 6,500 people in that catchment area.

[Mr. Gregory]

I appreciate that hon. Members may not be able to follow the detail of this but the argument two years ago for the closure of another sub-post office at Lawrence street was on the basis of its proximity to Heslington road. Now that the Heslington road office is to be closed we are seeing the decimation of the urban area of the fine medieval city of York.

People prefer to collect their own pensions rather than make alternative arrangements with neighbours and managers of community centres, relying upon the good will of other people.

At no stage has the Post Office in any of the three examples that I have given, given any economic justification either in private to me or in public. Are they making a profit or a loss? I am sure that the people not only of York but nationally would like to know. It is understandable that the postmasters are attracted by voluntary redundancy when sums of about £17,000 are offered as an inducement. In Yorkshire more have applied for redundancy than there are offices proposed for closure.

Why is there not more adequate consultation? Will the professionals and volunteers in the field, whom I have mentioned, be consulted at a much earlier stage when considering effects? Surely in any proper evaluation the consequences should be taken into account. Should we not look at the role of market research? The customer rather than the bureaucrat must come first, especially as the Post Office recorded a pre-tax profit of £40 million in the half year to September 1984.

By all means encourage the Post Office to attract new business, modernise its services and buildings and allow marketing, not rigidity, to rule. Some sub-post offices are prohibited from selling postage stamps and other services before the clock strikes 9 am. If they want to open earlier and sell newspapers, why on earth should they not? That would prevent people being driven from their local post offices. It is a curious aspect of local service that I would commend and it would lead to a better future for users, particularly the elderly, the disabled, the infirm and young parents.

The briefing document "The Post Office Counters Network: A Strategy for the Future", published in May 1984, concludes that

"there is a fine balance between meeting social needs and the statutory requirement to run an efficient service".

The proposals for York fall far short of that criterion. They do not display the flexibility referred to by my hon. Friend the Member for Chertsey and Walton (Mr. Pattie). Senior Post Office management should have greater social awareness and care within the exciting possibilities offered by new technology.

5.10 pm

Mr. J. D. Concannon (Mansfield): I do not think there is any need to go into all the detail that has already been covered by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) and by my right hon. Friend the Member for Barnsley, Central (Mr. Mason). We have to try to explain to the Minister what it is like in the real world outside. There have always been closures of post offices. In areas like mine, when the Co-operative used to run the shop on the corner, it doubled as a post office. With the rationalisation of the Post Office there have been closures. A post office was opened on a new estate in my constituency recently, so negotiations can work both ways. I have had meetings and discussions with the head postmaster for Nottingham and I have no complaints about my negotiations with the Post Office.

Last year I was surprised when I was notified that four sub-post offices in my area were to be closed. The local council and I said immediately that we wanted negotiations with the postmaster. Before the negotiations took place the matter was covered in the local press. Suddenly I found out that the people who were running the post offices had already been contacted by the Post Office. I was told that redundancy had been offered and accepted. Therefore, I wondered if it was all a fait accompli. Then I had a phone call from one of the sub-postmasters saying, "I know you have to do your job, but do not do it too well and do not be too successful." I had to tell him that, although I might sympathise with his position, I had to think about the social consequences for the people who use the post offices.

I should like the Minister to explain where he gets the 10 per cent. variation. Three of the post offices proposed for closure in Mansfield feed directly to the general post office. The local councillors and I had a good meeting with the postmaster. However, I suppose it takes a poacher to catch a poacher. It was not long before I found myself in a Chinese bargaining position. All of us who have bargained in the trade union world know what that is. If the authorities want to close three post offices, they say that they want to close four. It is so obvious that one should not be included that at the end of the day they can give a victory on that one.

We got our victory, but three are still to be closed. Unfortunately, those three feed on to the general post office. In the discussions I think the postmaster agreed that the facilities at the general post office in the centre of Mansfield leave a lot to be desired. At Christmas, in the foul weather and driving snow that we have had recently, there have been queues outside the general post office, even before the others have been closed. This must not be taken as a reflection on the staff of the general post office. Facilities in that post office cannot cope with business now, never mind what will come from the post offices that are to be closed.

We had our victory. The postmaster was very good. He listened to all our complaints. Then he went away, got out his little wheel and walked down into the centre of Mansfield. It is downhill all the way from Victoria street, one of my areas; then one has to cross a busy main road. The postmaster is a fit young man in his forties or fifties. The general post office in Mansfield is on the lowest ground and it is uphill from it in any direction. Victoria street is in one of the older established areas and needs a post office. I am told that the post office there must be closed. I could have understood the argument about the closure of some of the sub-post offices if the general post office could take the extra workload, but it cannot conceivably cope with any more business.

I am sorry for the postmaster in Nottingham. Those in charge will suffer the brunt of the wrath of the people. I had not been at the meeting in Mansfield town hall long before I realised that a Government Minister should have been there to answer for the Government. The blame for these closures can rest only on the decision of the Government and not on the Post Office. Once again, because of the actions of the Government, it will be the weaker sections of society who will suffer most. I hope

that Government Back Benchers will not just voice their opinions but will vote according to their opinion to try to shock the Government into carrying out their responsibility properly.

5.16 pm

Mr. Richard Alexander (Newark): It has been difficult to secure this debate, partly because these days no Government Minister takes day-to-day responsibility for the decisions of the Post Office and also because it is hard to call the Post Office itself to account for its day-to-day decisions. It is closing two excellent little sub-post offices in Newark. The decision is causing widespread concern, anxiety and resentment.

These emotions are held against a background of seriously deteriorating service in the Crown post office, such as the right hon. Member for Mansfield (Mr. Concannon) has described in his constituency. Queues often stretch into the street. The chairman of the district council, as an exercise, went into the post office recently to buy stamps. It took 40 minutes between going in and coming out for him to get a book of stamps. Yet the head postmaster in Nottingham has told me in correspondence that the decision to close the sub-post offices can be carried out without undue hardship to his customers. I tell him that he is wrong.

It is the elderly, the handicapped and the mothers with young children who are not so mobile who will have to trudge to the Crown post office. They will have to swell the queues. The Crown post office will not be able to cope. I am astonished that the Post Office is willing to contemplate the resulting hardship.

I listened with great care to what my hon. Friend the Minister said about dealing with the hardship. He said that the elderly or the handicapped can find a friend to go to the post office for them. Perhaps some can, but many elderly people live on their own in total, splendid isolation and they are proud, private people. Their families have gone. They do not have the close friends that they can trust with their personal affairs. It is just possible that a social worker will come on the scene, but generally the change will cause hardship to many elderly people. It was particularly galling for them just before Christmas when it was announced that the sub-post offices were to close, because there was a lot of advertising on television showing smiling old ladies popping into their post offices, collecting their money and savings within a few seconds, and sweetly coming out very happily. The grim reality of the Newark Crown post office and of others in Britain bears no resemblance to some of that advertising.

We are told that the Post Office wants to cut its costs. Let it cut out unnecessary and misleading advertising for a start. From time to time we receive glowing reports from the Post Office. Indeed, we received a report this week called "News Review", dated January 1985. We are told that there is a "World First for Intelpost"—whatever that may be. We are also told that there are

"Girobank Postcheques for Corporate Customers."

Perhaps one day we will receive a report saying "Average waiting times in Crown post offices cut to five minutes. Sub-post offices extended throughout the country." I urge the Post Office to cut out all that frippery, to put its stodgy Crown post offices into the 20th century and to bring back 19th century standards of service, courtesy and speed for its customers.

Crown post offices would not be convenient for all, even if they could get in and out of them promptly. Often the post office is bang in the centre of town, and customers find it almost impossible to park nearby. The bus station is generally well away from it.

Although the technology might be fantastic at the rarefied level of international business, the plodding clerking that goes on in the Crown post offices remains a disgrace. A person still cannot buy a pound's worth of stamps in a slot machine and walk away. The technology in the Crown post office is generally nil. Yet, as the right hon. and learned Member for Monklands, East (Mr. Smith) said, in the last half year the Post Office made £40 million before tax. The right hon. and learned Gentleman asked, and regrettably my hon. Friend the Minister did not answer, why, if the Post Office has that money—and there is no reason to suppose that it will not have another £40 million after the next half year—it decided to cut the number of sub-post offices despite the hardship that that will involve? I hope that my hon. Friend the Minister will deal with that point. Only some of that £40 million need be used to keep open the sub-post offices instead of going in for the international computerisation that we have heard about.

People want a nearby, friendly, safe service. That is all that they ask for from their post offices. Old people do not want a pile of leaflets stuffed in front of them whenever they go into a post office. They want prompt service, and a smiling helpful face. They find that helpful face in the sub-post office. Without any disrespect to those who work in Crown post offices, it must be said that, as they are busy, they cannot be so helpful or friendly to the many people who need help.

I suggest to my hon. Friend the Minister that, if we are to close anything, we should think of closing the Crown post offices and of building up the sub-post offices. But, of course, the Crown post offices are virtually a nationalised industry and are not responsive to customer demand or need. They certainly could not do much worse under private enterprise than they are at present, and even most Opposition Members will perhaps agree with that.

The decision concerning my constituency is a disgrace. It has been taken against clear evidence of hardship for the least fortunate—those who are least able to cope and those who need help most. Life for them will become more grim and more harsh as a result of that decision. That should not be happening in a caring, civilised community.

5.25 pm

Mr. Harry Ewing (Falkirk, East): I begin by declaring my interest, being the only Member of Parliament to be sponsored by the Union of Communication Workers. Together with my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), I had the pleasure—I suppose that some would say the doubtful pleasure—of receiving outside the House a petition that contained more than 150,000 signatures complaining about the proposed closure of 700 sub-post offices and 70 Crown post offices.

The hon. Member for Newark (Mr. Alexander) spoilt a good speech towards the end by suggesting that the Crown post offices should be closed. Of course, their closure would be just as big a disaster as the proposal to close the 700 sub-post offices. It would be wrong to assume that, as no Minister takes day-to-day responsibility for the Post Office, Ministers do not have a hand in what

[Mr. Harry Ewing]

goes on. If we thought for a moment that the Government did not have a hand in these proposals, we would not have raised this subject for debate. But we not only think but know that the Government are behind the proposals to close the Crown post offices and sub-post offices, and that is why we decided to initiate a debate on this important subject.

There was an interesting forerunner to this debate. The hon. Members for South Hams (Mr. Steen) and for Rugby and Kenilworth (Mr. Pawsey) raised points of order because the closure of the post office in the House for perhaps an hour or two caused them great inconvenience. But the proposed closures will cause great inconvenience to hundreds of thousands of people, because those post offices will be closed not for one or two hours but permanently.

I was bitterly disappointed that the Minister should seem to say that later tonight his ministerial colleague would virtually tell hon. Members that they were wasting their time in holding a debate, because the Government had made up their mind that the closures would go ahead. That was a very distressing attitude for the Minister to adopt.

Mr. Pattie: I was attempting to make it clear that because the Government had no responsibility for the details of individual closures—the merits of one street versus another—any such representations would receive the same answer as we have already given in correspondence.

Mr. Ewing: I am grateful to the Minister for making that clear, but I intend to show that the Government have responsibility and authority, even in the case of individual closures.

I wish to put on record my disagreement with the Minister about the number of closures that took place under previous Labour Governments, particularly between 1974 and 1979.

One of the legitimate complaints of the Union of Communication Workers, which has a vast membership in the Post Office, is that the closures which took place between 1974 and 1979, and, indeed, later in the early years of the incoming Conservative Government, were part of the postal mechanisation programme. In the process of that programme, 1,700 postal officers posts went by agreement. These closures were part of an agreement made between the Union of Communication Workers and the Post Office as part of the postal mechanisation programme with effects on job security and the continuation of the Post Office counter network as we know it. The complaint of my union is that that agreement is being thrown overboard. Those workers had pledged themselves to modernise the industry.

I disagree with the hon. Member for Newark who suggested that we should take the Post Office back into the 19th century. Some of us have fought long and hard to drag it out of the 19th century. Workers who fought long and hard and who co-operated in bringing the Post Office out of the 19th century into the 20th and 21st centuries are now being betrayed.

The members of the Union of Communication Workers who are employed in the Post Office feel that they have been betrayed by the Government and, to a certain extent, by the Post Office as a result of these proposals, although there are mitigating circumstances in the case of the Post Office in that it has no control over the external financial limits imposed on it by the Minister acting on behalf of the Treasury.

One of the problems that the Post Office faces at present and will face in years to come is the requirement to meet the external financial limits imposed on it by the Government. The Post Office has mistakenly come to the conclusion that the only way in which it can meet these external financial limits is by closing 700 sub-post offices and 70 Crown post offices. The Minister states that even after those closures the Post Office will still have the largest retail network in comparison with any similar organisation in the country. That is true. However, that will be so only until the next round of closures because, judging the Government on their record, what we are debating tonight is only the beginning. While we are worried about the present proposals, we are also worried about what will ensue.

The Post Office is working under the severe handicap of the external financial limits that are placed upon it. The social responsibility of the Post Office is written into the British Telecommunications Act 1981, as are the Minister's powers. Section 60 of the Act provides that the Secretary of State has powers to give directions to the Post Office. That the Minister is currently failing to do. He is not giving any direction to the Post Office in response to the representations that are being made by the public and by hon. and right hon. Members on both sides of the House.

I deal next with two constituency points. I recognise the point that was made in this respect by my right hon. Friend the Member for Barnsley, Central (Mr. Mason), a former Postmaster-General. In my constituency of Falkirk, East I had notification that two sub-post offices were to be closed, one in Grangemouth and one in Bo'ness. The difference in the attitude of the two head postmasters in different areas — and I suspect that this goes on throughout the country—would have to be seen to be believed. To deal first with the Bo'ness closure in a small part of the town called Grangepans, when the head postmaster of West Lothian wrote and informed me that the office was to close, I requested, and subsequently had, a meeting with him. I did not need to go to his head office, which is in another part of West Lothian, but he willingly came to Bo'ness where we met. I persuaded the head postmaster that it was necessary not only to consult the local authority but also to speak to community groups such as young mothers' clubs and old-age pensioner organisations.

I wish to place on record my thanks to the head postmaster of West Lothian, who met all the community groups that asked to see him. As a result, he changed his mind and the decision to close the sub-post office in Bo'ness was reversed. I pay tribute also to the sub-postmaster, because, as was stated by my right hon. Friend the Member for Mansfield (Mr. Concannon), the sub-postmaster had in his pocket an offer of £20,000 to give up the sub-post office. He too joined the decision to reverse the closure for which I pay tribute to him.

With regard to the proposed Falkirk closure, the head postmaster of Falkirk wrote to me. He consulted only the district council. He did not bother to consult the old people's organisations, the young mothers' clubs or any other group. The users of the sub-post office which he intends to close were never consulted. He stuck to his

original decision: the Oswald avenue post office, Grangemouth, according to the postmaster of Falkirk, is surplus to requirements and will, therefore be closed. The people who use that post office will have to walk not one mile but something like two or three miles across busy main roads. That illustrates the difference in approach of various head postmasters which I suspect is to be found throughout the country.

I return to the central theme of the debate which was set by my right hon. and learned Friend the Member for Monklands, East in opening the debate. The Union of Communication Workers has a proud record of co-operation in modernisation. As I said earlier, we gave up 1,700 jobs in order to bring the Post Office into the 21st century.

The union and the Opposition do not intend to sit back and take the closures as if they mean almost nothing. They cause genuine social hardship. The Minister has failed singularly to understand or to appreciate the social hardship that they entail. For that reason, I know that my hon. and right hon. Friends who have at heart the concern of the people who use the post offices will vote enthusiastically to seek to impress upon the Minister that he has a duty and can use the powers contained in section 62(1) of the British Telecommunications Act 1981. He can give directions to the Post Office. He is not at liberty to hide behind the coat tails of Ron Dearing or of any other member of the Post Office board. He is the responsible Minister. We ask only that he accept his responsibilities.

5.37 pm

Mr. Roy Galley (Halifax): As a former employer of the Post Office, it may be appropriate for me to declare an interest, however obliquely, in the matter before the House. Having taken a view as a manager, and more sharply now as a consumer, I hope that I may have a balanced view of the issues under debate.

The Opposition motion, which seeks to blame Government directly for sub-post office closures, is arrant nonsense. It stretches logic rather too far to complain about the level of profit in order to complain simultaneously about the stringency of Government targets. One has to have a degree of balance about the management of post offices.

It has been a remarkable task over a decade and a half to transform a Civil Service department into a commercial body with not a little agony and with great credit upon the people who have worked in that organisation. It must be a relevant consideration that we have one of the most compehensive post office networks in the world.

Mr. Nigel Spearing (Newham, South): At the moment.

Mr. Galley: And even after these closures, which I do not entirely support. The hon. Gentleman should not jump the gun. Even after the closures as proposed, we shall have one of the most comprehensive sub-post office and post office networks in the world.

It must be a relevant consideration that there is to be £25 million of additional expenditure on refurbishing and modernising Crown offices, and grants will be available to improve sub-post offices. It also has to be a relevant consideration that about £20 million will be spent on the automation of counters and, at long last, the installation of cash dispensers and the like. The Post Office has lagged behind the banks in many respects. It is at last beginning to grapple with the need to modernise in many areas.

Sir Bernard Braine (Castle Point): I am following my hon. Friend's comments with great interest and I can see that there may be a case for closing a sub-post office if a Crown office is to be establised in that area.

However, what does my hon. Friend say when a sub-post office is closed in a well populated area and its customers are obliged to go to another sub-post office which cannot properly cope with even its existing customers? Does my hon. Friend agree that in such circumstances there should be a pause for reconsideration so that the social difficulties can be avoided? If no Crown post office is planned for an area, ought not this silly and anti-social business be abandoned?

Mr. Galley: The point made by my right hon. Friend may be valid, but so may mine. There is a need to modernise the counter network and to market new services and compete in many areas. There is also scope to allow the Post Office more commercial freedom in its counter operations and what may be sold in post offices.

It must be a relevant consideration that there have been significant demographic and housing changes resulting in some sub-post offices being in the wrong place. That is the case with one of the closures in my constituency. Many of the surrounding houses have been pulled down and the sub-post office is no longer needed.

The revision of the counter network has been based on a combination of discovering which sub-postmasters would be willing to accept compensation for the closure of their office and the acceptability of those offers to the Post Office management, working on the criteria of the agreed guidelines.

I applaud the fact that, as my hon. Friend the Minister said, consultations have taken place and decisions changed in 10 per cent. of cases. However, I have some reservations about the consultation procedure. It is my impression from most of the cases with which I have been dealing that nobody was prepared to budge from the decision, despite considerable public pressure, extensive petitioning and proof of serious social problems.

The House has to balance its judgment about the need to modernise the counter network and, in the same way, the Post Office has to balance its judgment on the closure of sub-post offices by considering the social and commercial factors. That is a matter for the Post Office and not for the Government.

Historically, it has been the practice in making such decisions to take into account the topography and the terrain of an area, along with the composition of the population and other social factors. It has also been standard practice to take into account the availability and quality of services in the surrounding area.

It is not acceptable to close a sub-post office when the standard of service at the Crown office a mile or so away is accepted by Post Office management to be inadequate. I do not wish to go into detail on local cases, because they are not the responsibility of the Government.

Attempts have been made to improve staffing arrangements and staff are working more efficiently. I know that the Post Office faces great difficulties because of the peaks and troughs of its business during the day and during the week. I accept that the DHSS strike has

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produced enormous problems for the Post Office for a long time. The callousness of those involved in that strike is incredible.

However, it seems insensitive, to say the least, for the Post Office to close a town centre sub-post office when there is an inadequate Crown office service in that centre. If such closures must go ahead, the public must be convinced that the service at the Crown counter has been improved.

A more widespread cause of concern is the fact that it is not acceptable to close a sub-post office in an area where a large proportion of the population served are elderly and the terrain is hilly.

It is argued that the friends, neighbours, home helps and social workers of elderly people can collect their pensions, but that is not true in every case. I have submitted to my local head postmaster, so far without effect, some harrowing letters from people in their 70s and 80s in an area where many of the local people are elderly. Their friends and neighbours are elderly, they have no home help or social worker and, because of the mobility of our modern society, their families have moved away. What are they to do? There is no one to whom they can turn for assistance.

It is argued that many elderly people would have to make a journey during the week to do their shopping. However, many elderly people can buy most of their day-to-day needs within a small area near their home. Not every pensioner will take a long journey each week to do the shopping.

The Post Office must take into account the needs of the elderly and the disabled when taking detailed decisions and it must show more sensitivity. If sub-post offices must close, it may be possible for the Post Office, in conjunction with charitable organisations such as Age Concern or Help the Aged, to set up a joint scheme, at little cost, to provide a delivery service to pensioners in difficulties. I urge the Post Office to consider that option. There may be difficulties about the security of cash, but that does not seem to be much different from what happens when neighbours collect pensions. It may be argued that the Post Office is not running a social service, but it has a responsibility to its many customers.

Single queuing has been implemented at many Crown post office counters, to good effect in many cases. However, there are still difficulties because of the wide range of transactions that take place at the counters. Some are simple stamp purchases or money transfers, but some are complex licence or passport applications. It is about time that the Post Office followed the banks and established quick service tills for the simple transactions. That could be operated within a single queuing system.

There are many problems and I believe that the Post Office is not being sufficiently sensitive. I accept that it is trying to implement many laudable schemes, but it must not steamroller through sub-post office closures in difficult areas to the extent that it is now doing.

5.50 pm

Mr. Paddy Ashdown (Yeovil): I listened to the hon. Member for Halifax (Mr. Galley) with some interest. He made the sort of speech that we have come to expect from someone who has been a chairman of the Young Conservatives in his area. I listened with more interest and in more agreement to the hon. Members for Newark (Mr. Alexander) and for York (Mr. Gregory), who made a powerful case against the Government's proposals. If the hon. Members for Newark and York fail to find the courage to vote for the Opposition motion and against the Government amendment, many of us in the House and many outside it will find their brave speeches somewhat empty and designed, apparently, more for their local newspapers than for the central debate.

A local post office is a social resource and not merely a facility. It is for many pensioners and others one of their only points of contact with the outside world. In many instances, it is the means by which those engaged in small businesses can find an assured income of sufficient size to enable them to run a small shop. The closure of local sub-post offices in our towns and cities means the removal of facilities for cashing pensions, buying stamps and changing postal orders, but in many instances, especially in cities, it means the closure of yet another corner shop. That is a loss that must be added to the closure of so many of our churches, pubs and small schools. Our local communities depend on these facilities as they give a sense of identity within the faceless conglomeration of cities and towns.

We live in a harsh and no doubt troubled and brutal world in which, perhaps, efficiency, profit and cost-effectiveness are gods which we are required to worship. Perhaps we must grit our teeth and remove sentimentality from our minds if that costs us money. If the Post Office counter network were making a loss, there might be good reason to wield the knife and slice off cosy and human inefficiencies, if inefficiencies they were, which we loved but could afford no longer. However, the Post Office is not making a loss. It is making a profit of perhaps £110 million this year. The counter network is about to make a profit of £12·5 million, as the Minister agreed.

It is true that the return on investment and capital is not up to commercial standards, but the Post Office is not solely and wholly a commercial organisation. That is reflected in section 59 of the 1981 Act. The Post Office is a balance between economy and social need. The closures are not coming about because of loss or diminished social need. The contrary is the case. The social need to provide child benefits, for example, is greater than it was. The closures are taking place because the Government have decided to impose a new and more stringent set of targets. Indeed, they have added £10 million to their target figure to make it £70 million. That has been done in pursuit of inefficiency that is measured in economic terms but most assuredly not in human terms. The Government require higher counter turnover.

The closure programme is the direct result of a hastily and insensitively implemented Government policy. The Minister was right to say that there have been closures previously, but they have all been carried out in return for a greater degree of efficiency, the automation of our postal services and a better service for the public. The present closure programme will result in a worse service for the public. There will be a net loss of service. That is what distinguishes the present closure programme from previous ones.

The Government are responsible for the closure programme but the Minister claims that the Post Office is responsible for the decisions that are taken. So be it, but behind the decisions of the Post Office is the Government's new policy. The Minister is responsible

ultimately. The Minister can say until he is blue in the face that he has no responsibility for the closures, and the Under-Secretary of State may well decide to hand the matter back, as it were, to the Post Office when he replies, but that is not what the facts tell me. Section 11(2) of the Post Office Act 1969 states:

"If it appears to the Minister that there is a defect in the general plans or arrangements of the Post Office for exercising any of its powers, he may, after consultation with it, give it directions of a general character for remedying the defect."

Does the Minister agree that that means that we can take every individual case for closure to the Minister to ask him to remedy what we regard as a defect? The Minister has ultimate responsibility in law as well as in fact. He is the ultimate arbiter and he cannot dodge that responsibility. It is clear that it rests with him.

We need a serious review of the Post Office. We must decide how the social function which is set out within the 1981 Act is properly to be funded. We shall not be able to create a decent network which responds effectively to the economic nature of the world and social responsibilities until the Government are prepared to come clean on the way in which social responsibilities will be honoured. Unless that is done, all subsequent reviews will be, as this one is, inappropriate, insensitive and damaging.

The consultation process has proved to be a sham. My hon. Friend the Member for Truro (Mr. Penhaligon) has reiterated the statement of other hon. Members that closure decisions had already taken place in October 1984. My hon. Friend the Member for Isle of Wight (Mr. Ross) has fought hard against the closure of five post offices on the island. He tells me that the Post Office had already decided that many, if not all, of the closures should take place. He has spoken of the Post Office acting as judge and jury. My hon. Friend the Member for Cambridgeshire, North- East (Mr. Freud) has said that, even if a Member manages to save a post office, the postmaster, "flushed with redundancy payments, is up and away in any event." My hon. Friend the Member for Leeds, West (Mr. Meadowcroft) has said that the post offices concerned have accepted the direction as if it were inevitable.

I shall squeeze into my speech a constituency example. I asked Post Office officials to tell me what the savings would be from the closure of the sub-post office in Station road, Ilminster. I was told that the information was not available. The Government and the Post Office tell us that they want to make savings and yet there was no information about the savings that would flow from the closure. Having gone to the top and seen the director of counter services, I was offered a global figure. There was no back-up information to provide evidence on which I could judge whether the figure was correct. I was told that the savings over the year would amount to £4,000.

There are 100 pensioners in the area that is covered by the sub-post office at Station road, Ilminster. They will have to go into Ilminster to collect their pensions. They may be robbed of the facility provided by the shop in which the sub-post office is presently situated. If 100 pensioners cost 50p a week in these terms, the Post Office might save £3,000, but that sum will be dumped on the backs of pensioners. The net saving to the community will perhaps be £1,000 or about £3 a day.

That does not take account of the fact that 11 firms use the sub-post office regularly for all their postal services. The work forces of those firms use the facilities of the sub-post office during their lunch times. They will not transfer their business to the post office at Ilminster. What a ridiculous way to go about cutting a service that has proved so successful and useful for my community.

Mr. Simon Hughes: Will my hon. Friend give way?

Mr. Ashdown: I do so briefly.

Mr. Frank Haynes (Ashfield): On a point of order, Mr. Deputy Speaker. The hon. Member for Southwark and Bermondsey (Mr. Hughes) is really naughty. He has just walked into the Chamber and he now wishes to intervene. Many hon. Members are waiting to take part in the debate.

Mr. Deputy Speaker: Order. The House knows that this matter is beyond my control. Clearly interventions are made at the expense of other hon. Members. Some hon. Members have been waiting a long time to participate in this debate.

Mr. Hughes: I wish to add a brief point of great importance. In the case of an important office, such as the south-east district office, there will probably be no saving. There will probably be a profit, and there will be, therefore, no justification for closure. Will the Under-Secretary of State take responsibility if the consultation process does not allow such post offices to remain open?

Mr. Ashdown: That is an important point, and I hope that the Under-Secretary of State will address his remarks to it.

I do not mean to suggest—I am sure that other hon. Members do not wish to do so either—that the Post Office has no problems. We recognise that the business of the Post Office is changing. We recognise that there has been a decline of 30 per cent. in the sale of stamps over the counter, that the number of postal orders issued has decreased from 502 million to 61 million and that national savings business decreased by 5 per cent. in 1982-83.

We recognise that, because of demographic changes, some post offices have become stranded in inadequate catchment areas. We need to review our post office services, but that should be done as part of a long-term strategy — not as a panic measure to meet the Government's latest whim. Page 12 of "Post Offices Counter Network 'A Strategy for the Future'" says that the review is part of such an overall strategy. The Post Office, however, gave the game away on page 9 when it stated:

"Closure is only considered when post masters retire or resign."

Sub-post offices are singled out for closure not because they incur a loss or do not perform a social service but because they happen to suffer from the supreme bad luck of having a postmaster who is ready for retirement. What a way to set up a decent strategy for the Post Office of the future.

Our post office network is the envy of Europe, but this chaotic programme of closures threatens that structure. This programme has been brought about by Government policy. It is the result of the Government's whim. The programme is being insensitively and capriciously carried out. The public consultation promised is a sham. Closures will cause the further destruction of our communities and more misery for the vulnerable. We need a comprehensive strategy for the post offices, not a short-term panic measure to implement theoretical targets instituted by the Government, irrespective of the cost or disruption to a vital institution.

The Liberal-SDP alliance would not oppose a sensible, long-term plan for the restructuring of the post office

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network, but it opposes this shortsighted and destructive programme of closures which will save little and add much to the burden of misery for many.

6.3 pm

Mr. James Hill (Southampton, Test): My hon. Friend the Minister for Information Technology made a telling point when he gave us the figures for closures under respective Governments. He said—he can correct me if he wishes—that in their five years of office the Labour Government had closed 1,140 sub-post offices and that in the past five years the Conservative Government had closed 734 sub-post offices. The position is clear. There have been steady closures for many years. My only difficulty lies in the fact that there is unsatisfactory consultation about the sub-post offices that should close. I believe that the consultation procedures are not adhered to by those concerned.

I was extremely embarrassed when I first heard of the closure of a post office in my constituency in a letter written on 4 July telling me of the need to close the post office at Lower Brownhill road, Redbridge, Southampton. Mr. Gilbert, who is an excellent head postmaster in Southampton, said that he had already telephoned the sub-postmaster concerned. The sub-postmaster told him that he would be willing to accept voluntary redundancy under the terms recently agreed between the Post Office and the National Federation of Sub-Postmasters. Mr. Gilbert said:

"If there are, however, any other factors which you feel I should take into account or if you have any other comments on the proposals, please let me know."

As soon as news of the closure was reported in the local press, I received a massive number of complaints. A local Labour councillor got in touch with me and gave me a petition from more than 500 pensioners who were dismayed at the closure. They admitted that the sub-post office was within the one-mile limit set down, but they believed that the road they had to travel was one of the trickiest roads in that part of Southampton.

Who decided the distance between sub-post offices? Was the decision made in Victorian times? Was allowance made for the fact that Southampton is a sea port? Did people think of master mariners with peg legs and parrots on their shoulders? Was some other criterion used? Each time closures are decided, it is simple for the head postmaster to note on a map any two post offices within one mile of each other. The head postmaster can immediately telephone one or both of the sub-postmasters and ascertain whether a sub-postmaster wishes to take voluntary redundancy. I believe that the consultation process has been pretty thin.

Following the complaints, I got in touch with Mr. Clinton, the managing director responsible for counter services. He said:

"I appreciate that when an office closes the elderly may experience some difficulty".

Mr. Clinton will be old one day, but perhaps he will not experience the same difficulty. He continued:

"I sympathise with those who may be affected in this area. It is however possible for those who do experience difficulty travelling to a post office to nominate a friend"—

how does one nominate a friend?—

"relative, or member of the welfare service to collect their pension or allowances for them".

Does not Mr. Clinton realise that the very elderly already do this, because many of them are housebound? Is this not an additional burden on welfare services? Could welfare services cope if overnight there were a serious number of closures?

I believe that the Post Office began to listen to some of the protests about my closures. A letter dated 14 September 1984 told me that the Post Office had "carefully reviewed" the position. The letter stated:

"from this first trawl the only office to emerge as a candidate for closure in your constituency was Lower Brownhill".

The letter went on:

"We have however considered very carefully the views expressed by our customers who took the trouble to write in".

That sounds democratic but, unfortunately, another letter from the Post Office dated 27 September 1984 stated:

"Before reaching the final decision"—

I believe the Post Office was close to making that decision —

"we took very careful account of the views that had been expressed to us, and I would add here that in addition to the letters from Councillor Allan, only three other letters were received concerning the closure."

Why did the man who could possibly avoid making the closures receive only three letters, while I received dozens of letters and a petition from more than 500 people? Why was he almost in purdah? Why did he not receive the necessary information? Could he not have arranged for a leaflet to be dropped in the area saying that the sub-post office was about to close and asking whether any people objected to the closure? One Opposition Member with such a wonderful head postmaster in his constituency was able to attend all the public meetings. Was there no way of saying to the local councillors, myself or even the chief executive of the Southampton city council, "Call a public meeting. I shall attend that meeting and listen to the protests?" That is democracy. That is what a Member of Parliament must do from time to time, and I do not understand why the Post Office should not do the same.

I am all for economies and efficiency. I am delighted that the Post Office made a profit of £40 million in the first six months and that it may make a further £40 million in the next six months. I also agree with closures that must take place of necessity, but I am far from delighted at the lack of consultation and the lack of sympathy shown for the problems caused. I should say in the Southampton head postmaster's defence that in the middle of this fiasco Mr. Gilbert was moved to another area. But why does the head postmaster not involve himself more? Why does he just sit in his office waiting for protests? Why does he not go out and face the protests head-on rather than saying that, although everyone knew about the proposed closure, he received only three letters? We can all keep our heads tucked down behind the barricades and then say that we have received minimal post on a very important matter.

My hon. Friend the Minister put up a first-class case, given that he had no trump cards at all. I hope that he will now ask the chairman, Sir Ronald Dearing, a very able person, to consult further. The exercise may end with exactly the same result, but at the moment there is strong feeling in the area that consultation has not been good enough and we hope that the chairman of the Post Office will think again.

6.11 pm

Mr. Frank Haynes (Ashfield): The Minister stood at the Dispatch Box for 31 minutes without telling us anything that we did not already know. The problem is not the Post Office but the Minister and the Government. You,

Mr. Speaker, will recall pulling me up the other day when the Secretary of State for Employment announced the closure of many skillcentres and I called him a coward.

Mr. Speaker: Order. I am not sure that that is quite right. I do not think that the hon. Gentleman really meant that.

Mr. Haynes: Thank you, Mr. Speaker. I was afraid that I was in trouble again. I shall not call the Minister a coward today. I shall simply say that the Minister is hiding behind Ron Dearing and his organisation. The problem is not the Post Office but that lot on the other side of the House. I am glad that so many Conservative Members have spoken out today. I hope that they will be going into the correct Lobby to vote. The hon. Member for Rugby and Kenilworth (Mr. Pawsey) laughs. If he has the opportunity to speak in the debate, I shall be interested to hear his contribution. The Government in general and the Minister in particular are hiding behind the Post Office.

Consultation on post office closures in my area was a complete waste of time because the decision had already been taken, due to Government pressure on the Post Office to close a certain number of offices and to save a certain amount of money. *[Interruption.]* If the Minister spends his time talking to his Whip instead of listening, how can he reply to the debate? He is being really naughty.

It has been suggested that redundancy is being offered to people who have reached the age of between 59 and 65 years, but in my area it is being offered at the age of 42. That is very early retirement. Moreover, no one else will be able to take the job, so there will be one more person on the dole queue. The Government talk about their compassion for people who cannot find work. Yet here they are destroying jobs yet again. We have not heard much about that aspect from Conservative Members.

I have been through all this before when a post office in a rural area was closed. It was situated in a basin, so the elderly people using it were forced to climb a hill to use any other post office. There is much talk about how far people have to walk to reach the next post office. Our postmaster in Nottinghamshire, a man in his forties, talked about how long it took him to walk from the post office to be closed to the next available office. If I told the House how long he said that it took, hon. Members would wonder why he is not representing this country in the Olympic mile. It is ridiculous that elderly and disabled people should be expected to walk such long distances.

There are two complexes with 52 elderly people in each just across the road from the sub-post office proposed to be closed. Many of those people walk with frames. Going to the post office just across the road is a little exercise for them, but, according to the Government's policy, they should be expected to walk a mile. The Government know very well that that is just not on.

The Government must take note of what is being said in the House and outside. I hope that the Minister will take this seriously because we are not satisfied with what is going on. If that sub-post office is closed, elderly people will have to cross a busy main road without a pedestrian crossing. They should not have to do that, but the Government are trying to push them into it. The Government are supposed to represent people too. I wonder whether the Minister knows where the sub-post offices are in his constituency. I very much doubt it. If he did, he would understand the message of this debate and the problems caused by the Government's attempts to close post offices. I hope that the Minister has now understood that message. He has had his ear clobbered today, and if he does not change his mind he will have it clobbered again.

6.18 pm

Mr. Tom Pendry (Stalybridge and Hyde): My ever-friendly Whip, the hon. Member for Ashfield (Mr. Haynes), has asked me to make a short contribution. He should not knock the hon. Member for Yeovil (Mr. Ashdown) too much for giving way to his hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes) after making constituency points on behalf of his hon. Friends the Members for Leeds, West (Mr. Meadowcroft), Isle of Wight (Mr. Ross) and Cambridgeshire, North-East (Mr. Freud) because one cannot hope to become leader of the Liberal party if one does not pay attention to that kind of detail. Moreover, they have now all disappeared except the hon. Member for Southwark and Bermondsey.

I proposed to say that this was a very timely debate for many hundreds of my constituents. However, it will be timely only if Ministers will listen to it. There has been no evidence so far that they intend to take note of the points that have been made. I am always giving the Parliamentary Under-Secretary advice, in Committee and in the Chamber. I advise him now to stand up for himself. He should stand up to his senior Ministers and make his own contribution, because I believe that he has a future. He must face some of the detailed points that have been made.

In my constituency, a sub-post office has been closed in an area where many elderly and disabled people rely on it very much. Like other hon. Members, I have received nothing but the greatest co-operation from the postal board. The chairman of the North-Western postal board has been most helpful, and the postmaster has stomped the area with me and met many of the elderly people and many representatives of pressure groups. Our quarrel is not with the postal board but with the Government and their rigid approach to the question. The Government have ignored the social consequences of their actions. They are trying in a deceitful and underhand manner to use Post Office cuts in their spending programme. In my constituency, industry is affected as well as the disabled, the pensioners and the less fortunate.

The sub-post office was closed on 7 January. Yesterday I received a letter from Mr. Varney, managing director of Allen-Wellerman Limited, which is an industrial concern in my constituency. Mr. Varney says:

"I write to add the support of our Company to your campaign to have the above"—

in other words, the sub-post office—

"re-opened. The Company started in business on Commercial Brow in July 1984 and, although its level of activity during the remainder of the year was relatively low I anticipate a turnover in the region of £2 million during 1985, rising steadily thereafter. The loss of this facility will therefore represent a significant inconvenience and cost."

The decision to close has had a significant effect. There have also been protests and representations. I hope that the Minister will therefore intervene and ask the Post Office to reconsider that decision. There must be flexibility.

A massive petition has been organised in my constituency by a lady who lives there and by Councillor Clark. The lady has written to me telling me of a visit to the central post office in Hyde where she joined a queue that spilled out into the snow. There were many elderly

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people in the queue. The lady is in despair. She relies on me and other hon. Members to put pressure on Ministers and on others outside the House so that she and others may enjoy a proper service.

I have been brief, as I was asked to be. In conclusion, I should like to point out that we have heard courageous speeches from the hon. Members for York (Mr. Gregory) and for Newark (Mr. Alexander) and others. We have heard about their compassion. We expect them to have guts as well. We expect them to join us in the Lobby tonight and show how much they disapprove of what the Government are doing. I hope that there will be a healthy vote tonight, and that we shall be joined in the Lobby by many Conservative Members.

6.24 pm

Mr. John Golding (Newcastle-under-Lyme): I declare my interest as an assistant secretary of the Post Office Engineering Union. I protest not only against the Government's insistence upon post office cuts but also against the way in which those cuts have been implemented. Both Ministers and Post Office management are at fault. They try to hide behind each other, but in doing so they simply make it clearer that the Government have ordered cuts and that the management has carried them out in a docile, cynical and ham-fisted fashion.

The document prepared by Mr. Brian Roberts, the director of industrial relations, suggests breaking a solemn agreement—the job security agreement—and sacking up to 5,000 post office engineers and motor transport staff. It was a bombshell to my union. It is the most shoddy, disreputable and disgraceful document that I have seen in 25 years as a national union officer. Management says that it is only a working document. I advise management to scrap it.

Management claims to have legal advice that the job security agreement is negotiable. The job security of the union's members is not negotiable against the background of over 3 million unemployed. The Post Office management entered freely into that agreement and will not be allowed easily to renege on it now. We want our members to be at work, not on the dole. Problems should be settled by negotiation on shorter hours — on the POEU's "broad strategy," which has already been presented to the management. Many POEU members and Union of Communication Workers counter staff joined the Post Office as civil servants. They accepted lower pay than they could have earned in industry in order to enjoy the job security and pensions of civil servants. The POEU accepted craft flexibility and productivity bargaining because of the existence of job security, and job security must stay. The Government and the management are determined to make a shambles of the Post Office.

I am concerned about the public service aspect. Last year the local postmaster shut the George street sub-post office in my constituency. I argued to keep it open. The arguments were strong and familiar. The closure of the post office brought hardship to many old people. They either have to walk up and down to the bank—although many of them are ex-potters, ex-miners and ex-foundrymen suffering from chest complaints — and through a subway which they hate, or to travel by bus with all the attendant difficulties. The remaining post offices are crowded and the old people have to wait for ages. Our Crown post office is understaffed and cannot cope properly with extra business. One sub-post office to which those once using George street were directed now displays a notice asking people not to call on Tuesday or Thursday unless it is essential for them to do so.

That is the state that we are in. Our post offices are now more crowded on Thursdays than was the black hole of Calcutta, but the talk is not of relief but of further closures. Why should we treat our old people in such a way?

The response from authority to my arguments was less than helpful. Our local postmaster, Mr. Cole, commended the local bus service. Perhaps that is why the Government mean to take it away. He also suggested that relatives or friends could collect pensions. That must be the standard response given by postmasters to Members of Parliament who complain.

We are concerned for the dignity of pensioners. They do not want to be reliant upon other people. They want to collect the pensions themselves. I also wrote to the Director General of Fair Trading, Sir Gordon Borrie, who sent my complaint to the Minister for Local Government. If the Director of Public Prosecutions received a complaint from the police, would he send it to Dr. Crippen? In this case, Dr. Crippen turned out to be the Parliamentary Under-Secretary. The Minister for Local Government himself had more sense than to send me daft replies. The Under-Secretary wrote that this was

"a matter for the Post Office Board and the Government cannot intervene."

I was referred from the Post Office to the Minister, and the Minister referred me to the Post Office. Off I trotted to see Sir Ron Dearing. He told me that it was hard luck, but that the Government were insisting on a 5 per cent. cut. The Government have discovered the secret of perpetual motion. I was referred from the Office of Fair Trading to the Government to the Post Office to the Office of Fair Trading. It is a vicious circle, but our people are caught in it, and they are fed up with it. The closure of George street post office was a disgrace, but even more disgraceful was the inability of local people to challenge the decision and the buck-passing of those in authority.

I should have liked to have spoken longer, but time is short. We in the Post Office unions oppose the closures. We want service for the public, we want time to give service with a smile, we want work, not the dole, for our members and we want the Government and the management to stop destroying this great public service.

6.29 pm

Mr. John Fraser (Norwood): I represent a constituency where two post offices have already been closed—both almost by accident. One was closed as a result of robberies and the other was closed as a result of legal proceedings.

I should like to give the figures concerning one post office—the Post Office has been helpful in supplying them. Every week, the post office served 1,500 main customers. More than 750 were pensioners, more than 500 were people picking up child benefit, almost 100 were picking up Girocheques and the rest were making Giro deposits and Giro withdrawals. That gives a total of 1,500 people who made good use of the service each week. Saying that they should turn their attentions elsewhere and travel a longer distance is to apply to post offices the type of argument that is used against mines. They are closed

because of a definition, which is conjured up by the Government, of what is uneconomic, without paying regard to the needs of the community and the customers.

The reaction of my constituents and those of the hon. Member for Dulwich (Mr. Bowden), who has worked with me on this matter, has been anger and astonishment. There have been masses of meetings, petitions and letters. We have both seen the director of the London region and Sir Ron Dearing, but without success. I was amazed at the self-satisfaction of the Minister for Information Technology when he talked of people collecting pensions. I wonder whether he or the civil servant who wrote the speech trudge down to a post office in the cold and I wonder whether they would like to trudge another 1,300 yards in a city where bus services are to be cut. I wonder whether they will see the time of home helps being wasted. I also wonder whether they will risk robbery.

We read in *The Standard* that the special patrol group has been drafted into Brixton and that there are surveillance and targeting operations because there are so many robberies on the streets. What do the Government do? They close the post office in Croxted road so that people must walk a lonely path to the main Crown post office, thus being exposed to risk of robbery. And what happens when people get to that post office? I wonder whether the Minister or the civil servant who wrote that speech would like to be in a queue of 80 people, as has been reported by some of my constituents. Relying on Post Office figures, they would find 55 people in front of them in the queue at 9 am, 38 at 9.45 am, 37 at 10.45am and 31 at 14.45.

The closure is wholly unrealistic and has been proposed by people who do not live in the real world where vulnerable and poor people will have to suffer the inconvenience of going to Crown post offices which are grossly overcrowded because they are unable to cope with the weight of business. It is impertinent for the Minister to tell us that he will do nothing about any individual closure — the blame rests fairly on the Government's shoulders. They treat the Post Office and other nationalised industries worse than the Mafia treats the victims of a protection racket. They extract from the Post Office a profit of £80 million a year at the present rate, compel it to reduce its unit costs by 5 per cent. and require it to make a profit on turnover of 4 per cent. So far, that is analogous to the Mafia which extracts money out of those whom it controls, but if the Mafia were extracting money from ice cream parlours, the last thing it would do would be to demand, as the customer, that it pay less for its ice cream. However, that is what the Government are doing because 20 per cent. of the Post Office's business is the mail, which makes a profit, about 16 per cent. is the savings bank and the rest is business for which the Government are the customer. The Government are putting the Post Office in a double grip. At one end they are demanding a higher rate of return and greater efficiency—ignoring social responsibilities—and at the other, acting as a monopoly customer of the Post Office, they are saying that they are not prepared to pay the right amount for the job.

All we can do when we see Ron Dearing or our local regional director is choose which of two evils is to be executed. The Post Office says that it must maintain a balance between social responsibilities and economic ones. It says in its standard letter that it is finely balanced. It is not. It is crudely balanced because of the way that the Government have weighted the scales. The Government should at least have the decency to own up to their own responsibilities.

6.35 pm

Mr. Frank Field (Birkenhead): The noticeable feature of this debate is that nobody, not even among Conservative Members, has defended the Government's policy. Even the hon. Member for Halifax (Mr. Galley), who came nearest to giving a defence, strained at the leash for much of his speech, wishing to criticise Government policy. We have all centred some of our comments on the criteria that the Government have decided on to judge whether there will be hardship. The more the Minister for Information Technology tried to defend himself with the one-mile formula, the more I was reminded of a comment that Aneurin Bevan was reported to have said having listened to a speech by Neville Chamberlain: "Listening to the Prime Minister is like a trip round Woolworths — everything is in place and nothing is over sixpence." We have been trying to tell the Minister that our constituents' needs do not come in neat packages, nothing costing more than sixpence. Saying that there is to be a sub-post office within one mile of those which are to be closed does not mean that there will not be real hardship.

If the Minister is still in doubt about the hardship that closures will cause, I advise him to get in touch with the chairman of the Post Office north-west region who came to a meeting called by Merseyside county council and at which my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) and I were present. We described, as did many local councillors, the effect of the closure programme on our area.

As we have been asked to be brief, I shall concentrate on just one closure in my constituency—the one in the St. Anne's district. We are told that my constituents will have little or no difficulty using other post offices or sub-post offices. We are told that they should go to Hamilton street. Going from St. Anne's to Hamilton street involves climbing a gentle incline. It is easy enough for the Minister and for me to climb but it is much more difficult for people who suffer from emphysema, who use a wheelchair or who have children to push. We are told that, alternatively, they can go to one of the Crown post offices, but the Crown post offices in Birkenhead are on major roads. It is easy enough for the Minister or me to cross them but it is difficult for many of my constituents.

I should like to reinforce what my hon. Friend the Member for Norwood (Mr. Fraser) said about the risk of crime. He is the only hon. Member to have mentioned it. Those of us who represent inner city areas are aware of the level of crime and the frequency with which our constituents suffer muggings. It is not uncommon to see in our surgeries constituents who have tasted their second or third mugging. The Government are doubling the journey, and therefore the risk of being mugged, of people who go to post offices to pick up their main, or only, income.

If the Minister is still as satisfied with the one-mile rule as he appeared to be at the beginning of the debate, I should like to make one plea to him. If he lived in central Birkenhead, the closure that he and the Post Office are proposing would be unacceptable to him and his family just as it would be unacceptable to me and my family. If it is unacceptable to us, it is unacceptable to my constituents. I hope that the Minister who is to reply will

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show that he has listened to what the House has said. I hope that he will say that the closure programme will be considered and that the one-mile radius and the making of profits are not the only criteria. Having said that, St. Anne's is to be closed although it is making a profit. I hope that he will recognise the message that the House has given —that people's needs matter more than profits.

6.39 pm

Mr. George Park (Coventry, North-East): I agree with my colleagues who said that many hon. Members who have taken part in today's debate aimed their criticisms at the wrong target. Post office closures are one more facet in the illusion being created by the Government that they are determined to ease the burden of taxation. While the Chancellor of the Exchequer dangles the carrot of reductions in income tax, he is engaged in increasing charges, which force up the cost of living. Apart from the Post Office, the water, gas and electricity boards have all been required to raise their charges above the necessary levels, and the Treasury takes the excess profits that are generated.

We may get income tax cuts, but the cost of living is definitely higher. That particularly affects those on low fixed incomes, and that same section of the population are most hurt by the closure programme outlined in the post office document, "A strategy for the future". I am surprised that there has been only passing reference to it. The Government set the targets and stepped back, and the Post Office produced a revealing document.

On page 1 of the document it states that:

"Savings . . . will be ploughed back into the business"

but it does not say that during the past three years the Post Office has been required "to loan" £72 million to the Government. In the foreword on page 3 it states that the Post Office has worked out a policy designed, among other things, to

"meet social obligations to the communities".

How that can be reconciled with the closure programme, which will force pensioners to travel further to already busy offices to stand in longer queues, I fail to see.

Page 6 deals with "The Changing Market". It gets to the heart of the matter because it illustrates how the Government have completely changed the method of running the Post Office. From being a public service operating on a cost— plus pricing agreement, it is now committed to cutting its counter services by 5 per cent. and to making a profit of 4 per cent. on turnover in 1984-85. The conclusion must be that public service has taken a back seat in favour of commercial considerations. That is affirmed in the "Conclusion" on page 12.

The Post Office has shown a profit for eight successive years. In 1984 the profit amounted to £116,900,000. Because each sector must individually show a profit, it means that high profit sectors must not support the less profitable sectors, as is normal practice in industry and commerce.

The Post Office is well on the way to meeting the recommendations of the Rayner report of 1982. It recommended the closure of 200 main Crown offices and 3,000 sub-post offices. The closure programme has already hit 2,500 offices. The Government have an arms length approach right across the board. Their policy is, "We set the targets. You carry out the work, and don't come to us about it". From my correspondence with Ministers it is clear that that is their approach.

Head postmasters are given the responsibility of designating which offices in their areas are to close to meet the 5 per cent. target. The Coventry head post office covers the city of Coventry and most of Warwickshire. Closures in Warwickshire are largely excluded because it is a rural area. That means that the closures in Coventry are proportionately heavier. Page 9 of the document states that town and country areas are to be taken together. The national figures given in the Post Office annual report show that on average the United Kingdom has one post office for every 2,480 people. In Coventry, before the latest closure programme, there is already only one post office for every 4,500 people.

It strikes me as odd that, although 12 or 13 considerations are to be taken into account in deciding whether to retain sub-post offices, the Post Office has chosen consistently to use the distance-of-a-mile consideration. All hon. Members know of the anomalies that that can create.

Page 15 explains that the closure programme begins with the resignation of a sub-postmaster. At the two public meetings that I arranged and to which I invited the head postmaster — I hope that the House will note that I arranged the meetings and he attended them—the head postmaster, having carefully gone through the technical side—I have no personal grouse against him—said that if the sub-postmasters concerned had not resigned the two sub-post offices would not have been closed. That blows the whole matter sky-high.

When I contacted a postmistress, she said that she had been unable to get any assurance about the future life of her sub-post office and had therefore accepted the 23 months' salary on offer, as against a three months' salary which she would have received if she had stayed and then been told that her sub-post office was to be closed. That is a perfectly understandable decision to take.

It should be borne in mind that refurbishment of post offices, as detailed on page 11 of the document, relates only to the Crown offices. Paragraph 5 makes a fleeting reference to the fact that any refurbishments or improvements at sub-post offices are the responsibility of the people who run them. How many of them will wish to take up the loan suggested, even at preferential rates, for an uncertain future, as the Government change the targets? In addition, my hon. Friend the Member for Newcastle-under-Lyme (Mr. Golding) said that discussions have already started about massive redundancies among staff in post offices.

Finally, I wish to draw attention to the local government and housing association aspects. About 200 local authorities and 300 housing associations use the Giro system for rent collection and issue Girocheques for housing benefit payments. The charges are high, considering the number of sub-post offices available when they were fixed. They will need revision when the network is decreased. If the closures are to continue, local authorities may have to consider ending their use of the Giro system and looking for an alternative. That cannot be in the long-term interests of the Post Office.

In conclusion, many hon. Members referred to the effects of closures on elderly people, and I do not intend to go over them again as by now the House should know about them well enough. If we cannot get the programme

withdrawn or amended, I hope that we shall place the responsibility squarely on the Government's shoulders, because they are the initiators of the closure programme.

6.48 pm

Mr. Alan Williams (Swansea, West): The Minister for Information Technology must be looking forward to the speech of his hon. Friend the Parliamentary Under-Secretary because it will be the first one this afternoon that may support the Minister's opening speech.

This has been a remarkable debate, with protests from Conservative Back-Bench Members. Usually the Government find it possible to identify some placeman, poodle or man of ambition who is willing to support the Government, but today not a single supporting voice has been heard. That is hardly surprising. The Government's proposals could mean the closure of 78 Crown post offices and 900 sub-post offices.

That would be bad enough in terms of morale within the Post Office, coming as it does after a carefully negotiated and agreed programme of mechanisation in which 1,700 jobs were lost, against an assurance of job security for those who remained. It is small wonder that the word "betrayed" has been used to describe the attitude of those who work in the Post Office. The proposal is not only disastrous for morale; it is completely unnecessary. The Post Office made a profit of £40 million in the first half of the year, and it will almost certainly make a bigger profit in the second half. The proposal has nothing to do with the internal requirements of the Post Office or the redundancy of sub-post offices and Crown offices; it relates to the arbitrary imposition of a £10 million external financing limit by the Government, which by coincidence is the amount that the Post Office will save as a result of the operation.

Although the Government will gain an additional £10 million, the weak will suffer. Many hon. Members have referred to the elderly and the handicapped, and the Minister does not seem to understand the reality of the suffering that the proposal will cause. He said that the elderly could nominate friends to collect their pensions. However, one should not overlook the fact that some people are extremely proud. Some regard such matters as confidential. As my hon. Friend the Member for Birkenhead (Mr. Field) rightly said, in some areas those who collect multiple pensions could become targets for mugging. But, even more importantly, my hon. Friend the Member for Bradford, West (Mr. Madden) passed me a note saying that he consulted his local DHSS office about the procedure of nominating a friend to collect one's pension. It was made clear to him that the DHSS regards this only as a temporary facility. It should not be a permanent arrangement. As my hon. Friend said, the proposal will present special problems in multi-ethnic communities, especially in those where some beneficiaries may have difficulty with the English language and may not be able to establish their identities at the post office counter.

It has also been suggested that home helps should collect pensions for the elderly, but home helps are being cut and the remaining ones are overworked. This would be a misuse of the home-help system, and it would be unfair to impose such responsibility on them.

Hon. Members on both sides of the House have expressed doubts about the consultation that took place. The hon. Member for York (Mr. Gregory) said that in areas with a predominance of elderly and perhaps handicapped people no attempt had been made to seek the advice of the social workers or those who look after the interests of the elderly and the handicapped. My right hon. Friend the Member for Mansfield (Mr. Concannon) gave the example of a sub-postmaster in his constituency who told him that he had already agreed his terms for compensation with the Post Office before the consultation started. There is a grave suspicion that the consultation was more cosmetic than real.

Even Conservative Members, who will feel the wrath of their constituents, recognise that the result of the proposals will be longer queues at post offices, longer waiting times, longer walks to reach post offices and more bus fares, insofar as bus services will be allowed to survive. Those who are lucky enough to have cars will probably discover that it is almost impossible to park near the main post offices.

The best thing that the pensioners' organisations can do, if they have a Tory Member of Parliament in a marginal constituency near to where they hold their meetings, is to lobby him and tell him that they also have power. They should tell him that they are not impressed by the financial arguments of the Treasury and that their dissatisfaction will be expressed in the appropriate way at the appropriate time. Those hon. Members who had the courage to attack the Government today—as I said, no one had the courage to defend them — for the shortcomings of their policy should follow that attack to its logical conclusion. I invite them to join us in the Lobby and vote against the proposal.

6.55 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. David Trippier): The right hon. and learned Member for Monklands, East (Mr. Smith) and his hon. Friends have competed with each other in the passion that they brought to their condemnation of the Government in this matter. We have heard many emotive phrases. The hon. Member for Bradford, West (Mr. Madden) called it a "sick joke". The right hon. Member for Barnsley, Central (Mr. Mason) referred to our monetarist policies, and the hon. Member for Falkirk, East (Mr. Ewing) went further and referred to a stabbing in the back.

Yet if we examine the charges and wade through the crocodile tears to reach the solid facts, what do we find? Opposition Members are accusing the Government of following the very policies that their right hon. and hon. Friends continued when they were in office between 1974 and 1979. They were also followed by the Conservative Administration, having been introduced by a Labour Government in 1969. I wonder whether it was as a result of "monetarist policies" that the right hon. Member for Chesterfield (Mr. Benn), the then Secretary of State for Industry, aided by his lieutenants the right hon. Members for Glasgow, Rutherglen (Mr. MacKenzie) and for Manchester, Gorton (Mr. Kaufman), and the hon. Members for Liverpool, Walton (Mr. Heffer) and for Oldham, West (Mr. Meacher), presided over the closure of 223 post offices in 1974-75 and a further 270 offices in 1975-76. Was it "stabbing in the back" when the former right hon. Member for Chesterfield, aided by his lieutenants the right hon. Members for Gorton, for

[Mr. David Trippier]

Rutherglen and for Swansea, West (Mr. Williams), presided over the closure of 266 post offices in 1976-77 and a further 203 post offices the following year?

The hon. Member for Falkirk, East told us about an arrangement — he called it an agreement. During the debate we checked with the Post Office, which is unaware of that agreement. The Department of Trade and Industry is certainly unaware of it. The hon. Gentleman referred to the Union of Communication Workers' proud record of co-operation on mechanisation, but I wonder why he did not tell the House when the union will lift the embargo on the extention of mechanical inward sorting that it has maintained for the past few years.

Mr. Ewing: I suspect that the UCW is more concerned with its distrust, as a result of the Government's directive to the Post Office — *[Interruption.]* The Secretary of State for Trade and Industry, who has just returned to the Chamber, should learn to shut his mouth now and again and to listen to what is said. The problem for the UCW and its members is that they no longer trust what is being said to them because of the way in which the Government betrayed them over the closures.

Mr. Trippier: With great respect to the hon. Gentleman, he is changing his case and taking an entirely different line. I would not suggest that he means to mislead the House, but he gave a clear understanding that there had been an agreement. As we have now checked this with the Post Office——

Mr. Ewing *rose*——

Mr. Trippier: We can probably solve this problem through correspondence. However, it is important that, as a Government spokesman winding up this debate, I should say that we do not know about that agreement in the Department of Trade and Industry and the Post Office does not know about it either.

Mr. Ewing: It is unfair of the Minister deliberately to mislead the House. I can understand him doing it inadvertently, but any deliberate attempt——

Mr. Speaker: Order. The hon. Gentleman must not say that the Minister deliberately misled the House. He may say that the Minister inadvertently misled the House.

Mr. Ewing: For the sake of good order, I shall withdraw the "deliberately". During the period of postal mechanisation, the Union of Post Office Workers, as it was then—the Union of Communication Workers as it is now — willingly entered into arrangements with the Post Office whereby, in exchange for job security for those who are left in the industry after mechanisation, it agreed to shed 1,700 jobs. It does not matter a tuppenny damn what the Post Office says to the Minister. That was the position, and that is why the union feels betrayed.

Mr. Trippier: I have been fair to the hon. Gentleman in allowing him to intervene on two occasions. I understand that, and what he said in his main speech. I am simply saying that the Post Office board says that it is unaware of any arrangement or agreement, and the Department of Trade and Industry is also unaware of such an agreement.

A number of hon. Members have argued that the Government should intervene to prevent the closure of particular offices within their constituencies. I can obviously understand that, but when Labour Members seek to imply that the Government are somehow different for refusing to intervene in individual cases, I am bound to ask why they are so coy about telling the House of their successful intervention to prevent individual office closures during their term of office. How many times did the right hon. Member for Chesterfield intervene when he had responsibility for these matters? I understand why Labour Members are so coy about telling the House how many times the Labour Government intervened. We have heard a number of speeches from hon. Members who were members of that Government, and so had collective responsibility as Ministers within that Government. Not once did the Secretary of State for Industry in the last Labour Administration, or the one before that, intervene on any closure. They were pursuing the policy that this Government are pursuing now — that individual office closures are a matter for the Post Office board and not for the Government.

An interesting question is which right hon. or hon. Member first thought of creating the Post Office board and forming the Post Office corporation. Surprise, surprise, it was the right hon. Member for Chesterfield—that flag-carrier of the lunatic Left, the headless dragon, the man who spends a lot of his time in the House trying to play the part of Pontius Pilate. He will have a great deal of difficulty in washing his hands of this one. He was responsible for setting up the board that had the delegated powers to deal with closures, collectively and individually. He will have to take his share of the responsibility for that.

So much for the sincerity of the view expressed by Labour Members. The main feature of today's debate has been that it has exposed the hypocrisy of Labour Members who seek to condemn this Government for following policies that they pursued when they were in office. I have no doubt that they would pursue those policies again in the unlikely event of their ever regaining office.

I and my hon. Friend the Minister thought that my hon. Friend the Member for York (Mr. Gregory) raised an interesting point on the service being made available before 9 am. I am sure that the board will look at that.

The House should be clear that the Government are not closing post offices any more than the previous Labour Administration were.

Mr. David Ashby (Leicestershire, North-West): Is my hon. Friend aware that I have received a letter from the head postmaster of Derby, saying that the sub-postmistress in a village has resigned because only 10 pensions and 12 allowances were collected a week, and the Post Office has been unable to attract any applicants for this sub-post office, although it has advertised profusely? The sub-postmistress offered to open for three days a week, but, quite rightly, the Post Office does not feel that it should be following this course. One other point arises——

Mr. Speaker: Order. The hon. Gentleman should be making an intervention, not a speech. One point is enough.

Mr. Trippier: I am grateful to my hon. Friend for that intervention. It does not require any amplification.

Some hon. Members have suggested that post office closures are a direct result of the financial and performance objectives set by Government. Indeed, some Labour Members have sought to suggest that such targets are some

sort of wicked Conservative invention — ignoring the fact that the Post Office has had a financial target for 20 years and performance targets were first set in the late 1970s by the Labour Government.

The essential rebuttal of that charge is that the benefits of the closures will not be realised during the period for which targets have been set. But, as my hon. Friend the Minister for Information Technology said earlier, the Government make no apology for pursuing the policy set out in the 1978 White Paper on the nationalised industries. The White Paper established a framework of financial discipline within which the Post Office is required to operate, notwithstanding the fact that it was a White Paper setting out the policy of the Labour Government.

So what is this debate about? It is about the Labour Members seeking to claim that they, and they alone, care about pensioners, mothers of small children and all other users of post offices, and that they have some sort of monopoly on compassion. Mr. Speaker, that is the ludicrous fantasy of the Opposition. The plain fact is that there has been no change of policy since 1969.

Of course this Government care. They care that the Post Office should be in a position to offer a wide range of services on behalf of Government Departments and other public sector bodies.

The Post Office will not do that through charging prices that are higher than those charged by competitive organisations. The Government are not forcing people to have their pensions paid into their bank accounts. To remain competitive and ensure its future the counters business must remain efficient. That point was made by my hon. Friend the Member for Newark (Mr. Alexander). If that business remains efficient, that will bring benefit to the public, to sub-postmasters and sub-postmistresses and to Post Office staff. There is nothing new in this view. As I have shown, the need for efficiency and economy in the operations of the Post Office was recognised by the Labour Government in their 1969 Post Office Act.

I must correct the view put forward by some hon. Members today that the Post Office is somehow mishandling the issue of individual closures. The Post Office goes to great lengths to ensure that all those with an opinion on a particular closure have the chance to make their views known—this was accepted even by the right hon. Member for Mansfield (Mr. Concannon) — and those views are considered carefully.

It is the job of Her Majesty's official Opposition to oppose the Government, as their Leader keeps reminding them. They do not listen, but he keeps reminding them. I am deeply disappointed that some Labour Members have chosen to attack the Post Office board. Even the right hon. Member for Barnsley, Central and the hon. Member for Newcastle-under-Lyme (Mr. Golding) alleged that it does not care about the public that it serves. I know that such remarks will deeply offend the chairman, his board and his senior managers. I find it sad that hon. Members opposite should have stooped to such a low form of attack. We owe to all of these people a debt of gratitude. They have been dealing with a very difficult situation, particularly due to the strike at the Department of Health and Social Security in Newcastle.

In conclusion, the post office counters business has made significant advances over the last few years. The Government recognise that. We also recognise that the counters staff deserve credit for much of this improvement, through their co-operation with management, in bringing in changes. But no one owes the Post Office a living. In the real commercial world there is effective competition for many of its services. If the counters business is to build on recent advances and to thrive, it will do so by offering good service at a price that the customer is prepared to pay. That is the way to ensure that volume is maintained and increased. That is the way to protect jobs. That is the way to fight closures. I urge my right hon. and hon. Friends to vote for the amendment.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 208, Noes 348.

Division No. 75] **[7.11 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunningham, Dr John
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Hume, John
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh

McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
Mackenzie, Rt Hon Gregor
Maclennan, Robert
McNamara, Kevin
McWilliam, John
Madden, Max
Maginnis, Ken
Marek, Dr John
Marshall, David *(Shettleston)*
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Rt Hon J. E. *(S Down)*
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Dr. Roger Thomas.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Hon Adam
Carlisle, John *(N Luton)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dicks, Terry
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Holt, Richard
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David

Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Rt Hon P. *(W'cester)*
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Ian Lang.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Question on amendments) and agreed to.*

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House recognises that the future of the Post Office counters network will depend on its ability to compete successfully by operating efficiently and reducing the costs of its operation while having regard to the social needs of the United Kingdom; and fully supports the Post Office's efforts to secure by these means the future of an extensive and socially responsive network.

Housing Support Grant (Scotland)

7.25 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): I beg to move,

That the draft Housing Support Grant (Scotland) Order 1985, which was laid before this House on 11th January, be approved.

It may be for the convenience of the House if we debate the following order and prayer with this order:

That the draft Housing Support Grant (Scotland) Variation Order 1985, which was laid before this House on 11th January, be approved.

That an humble Address be presented to Her Majesty, praying that the Housing Revenue Account Rate Fund Contribution Limits (Scotland) Order 1985 (S.I., 1985, No. 3), dated 4th January 1985, a copy of which was laid before this House on 11th January, be annulled.

Mr. Speaker: If the House agrees, so be it.

Mr. Ancram: Full details of the housing support grant settlement are set out in the report which accompanies the draft Housing Support Grant Order. Therefore, I shall not burden the House with an excessive amount of detail. However, I shall explain the thinking behind the proposals and also the limits which have been set out in the Housing Revenue Account Rate Fund Contribution Limits (Scotland) Order.

We have reached full agreement with the Convention of Scottish Local Authorities on the formula for the distribution of housing support grant this year. I should like to place fully on the record our thanks to the convention for its contributions to our discussions. In the housing support grant settlement for 1985-86, the Government have again aimed at concentrating resources on those authorities which require them. We have estimated eligible expenditure at £282 million and relevant income at £234 million. Housing support grant will therefore total £48 million which will be distributed among 23 authorities which we believe will incur deficits on their housing revenue accounts in 1985-86. We have of course left out of the reckoning the expenditure and income of authorities which could in our view generate a surplus.

As I have explained, the figure of £48 million reflects our best current estimate of the difference between eligible expenditure and relevant income. Housing support grant is of course, however, highly sensitive to changes in the level of interest rates. We shall therefore keep the situation under review. If in practice interest rates prove to be significantly different from our current assumptions, we shall bring forward an appropriate variation order in due course. The fact that we are today introducing a variation order in respect of the housing support grant for the current year, 1984-85, in the sum of £10·1 million reflects a similar undertaking given last year at this time. If the most recent movements in interest rates are sustained, a further variation order for the current year may in due course be required.

Labour Members will no doubt endeavour to present our housing support grant settlement proposals, and the rate fund contribution limits set out in the other order that we are debating today, as a direct attack on council house tenants, and as usual they will be talking rubbish. The decisions that we have made in previous years, and the figures in the orders before us today, reflect our continuing concern to balance the undoubted need for expenditure on housing against our responsibility to control public expenditure as a whole. It would, for example, be a waste

[Mr. Ancram]

of valuable resources, which have always been a matter of laughter for the hon. Member for Falkirk, East (Mr. Ewing), to pay grant to an authority at a level above that needed on reasonable assumptions to balance its housing revenue account.

In our estimation of expenditure, by agreement with the convention, we are again applying an average rate of interest to authorities' individual volumes of debt; and 10·4 per cent. has been assumed in the settlement. I repeat, however, that if differences in interest rates lead to significant differences in the level of authorities' loan charges we shall consider variation orders in due course.

The other main element of expenditure which we have to consider is the amount to be allowed for management and maintenance. In the 1984-85 settlement we allowed for an average expenditure of £262 per house—£226 million in total. Authorities, however, chose to budget for £284 per house—£245 million in total. However, no sound evidence has been presented to me of any need for a real increase in our provision for management and maintenance. As a consequence we have uprated the provision in last year's order by 4 per cent. to hold it generally constant in real terms at £272 per house—£232 million overall. Indeed, our stance on this expenditure has again been endorsed this year, with more than half of Scotland's housing authorities continuing to budget for a figure below that provided in our 1984-85 settlement.

On the income side, we are assuming for the purposes of the settlement that rents will increase by £1 per week over 1984-85 order levels, bringing rents to £12·59 in order terms. This assumed increase in rent matches our estimate of the overall average impact that the Government's decisions on housing support grant and rate fund contribution limits should actually have on council house rents.

This leads me to the Housing Revenue Account Rate Fund Contribution Limits (Scotland) Order which was also laid before the House on 11 January. It is right that we should consider this order at the same time as the Housing Support Grant Orders, since they are all closely linked.

It may be helpful to the House if I restate the reasons why we felt it necessary to take power in last Session's Rating and Valuation Amendment (Scotland) Act to limit the contributions which local authorities may estimate to make from their general rate fund to their housing revenue account in this way. The rate fund contributions meet the deficit on the account between local authorities' expenditure, mainly on servicing debt and management and maintenance, and their income from rents and grant. Over the past five years—and in spite of our efforts to persuade authorities to exercise voluntary restraints through the housing expenditure limits system—the rate contribution to housing has risen inexorably from £75 million, or £84 per house, in 1979-80 to £120·5 million, or £140 per house, in 1984-85.

The Government have a responsibility to take decisions about the total amount of resources which the nation can afford to devote to housing, within the general context of our objective of reducing public expenditure. We have, as I have already explained, reduced housing support grant in recent years in line with reasonable assumptions about authorities' expenditure needs and the amount of income which they might generate from rent and rates. I make no apologies for this. Authorities' decisions, however, to increase the resulting proportion of expenditure borne by the ratepayer—thereby keeping rents unnecessarily and artificially low—have had the unfortunate effect of limiting the share of public expenditure resources which could be made available for necessary capital works.

The result has been that in the present year alone local authorities in Scotland have forgone some £20 million which would otherwise have been available for much needed construction and improvement work in order instead to fund rent subsidies for council house tenants. Over the past four years, more than £110 million has been lost in this way. In the Government's view, this situation quite simply could not be allowed to continue. It places an intolerable burden on the ratepayers and, because it has led to the delay of much needed work on the housing stock, it is against the long-term interests of tenants themselves. It is bad for tenants and bad for ratepayers. On any view that made it unacceptable.

Our decision to ask authorities to budget for rate contributions to the housing revenue account not exceeding £89·5 million in 1985-86, as set out in the order before the House, has enabled us to issue provisional capital allocations on the housing revenue account totalling £267 million in Scotland next year. This figure is £40 million more than the final allocation of £227 million issued last March and represents in anyone's view a very substantial increase in real terms—particularly significant at a time when public expenditure elsewhere is necessarily being restrained. Local authorities will be able to spend the increased sum of £40 million on construction and improvement work, including tackling the problems of condensation and dampness. It is £40 million more work than possible this year. As a general guide, every additional £1 million of housing investment means that a further 42 small general needs houses, or 26 sheltered houses, can be built. Alternatively, 320 local authority houses can be modernised, or 60 properties which the local authority has acquired can be rehabilitated. Taken as a whole, this addition to the HRA is something which no reasonable observer can sniff at, and it is, I believe, an indication of a failure to understand the housing finance situation in Scotland so to do. The hon. Member for Glasgow, Garscadden (Mr. Dewar) sits in his seat laughing at the idea of £40 million more being made available to deal with problems of condensation and dampness. I trust that that will be noted by his constituents who suffer from such problems.

An additional feature of the system is that we have been able to introduce a new arrangement this year for any authority which budgets for a rate fund contribution below the prescribed limit. Where an authority's budget falls below its limit, we will be prepared to increase its capital allocation by an equivalent amount. Authorities will, therefore, have a real opportunity next year to increase the capital expenditure they can undertake even further, provided that they hold back on their rate fund contribution and then they can use it for dealing with dampness, condensation and so on. That is good for tenants and good for ratepayers.

In setting an aggregate limit to rate fund contributions of £89·5 million next year we have asked individual authorities to budget for a rate fund contribution 10 per cent. below the guideline issued for housing expenditure limit purposes last year, or not to exceed their actual budgeted figure, if that was lower. We have consulted

authorities very widely about the implications of the individual limits set, in line with the undertakings which we gave during the passage of the legislation last Session. In particular, we have held detailed discussions with the Convention of Scottish Local Authorities and we have received and carefully considered representations from over half of all individual authorities.

As a result, we are convinced that the limits proposed in the order are fair and reasonable. Authorities were—at their own request—given very early notification at the beginning of October of the provisional limits which we proposed to set. We then allowed a substantial period for consultation between October and the middle of December, when final decisions had to be reached to allow us to proceed with arrangements for making and laying the necessary order.

During the consultation period, we indicated that we would look particularly carefully at representations from authorities which believed that they were faced, as a result of the rate fund contribution limit proposed, with making a rent increase significantly in excess of the average, which we estimated to be slightly over £1 per week—provided that the excess rent increase did not result from the authority's own decisions to ignore housing expenditure limit guidelines in the past, or provided there were other special circumstances which required the authority to budget for a higher rate contribution.

Mr. James Wallace (Orkney and Shetland): The Minister has said that there was consultation. To what extent did that consultation have an effect on the Government? He said that the Government expect an average increase of just over £1 per week. In Shetland the proposed increase could be £7. In Orkney the required increase is expected to be 30 per cent. Neither of these councils can by any stretch of the imagination be taken to be the bastions of socialism that the Minister so often castigates. What sort of figures did he have before him if rent increases in these authorities are to be so much in excess of the average that he has talked about?

Mr. Ancram: If the hon. Gentleman had been listening to what I have been saying he would have realised and appreciated that we were judging it against a number of assumptions which were agreed by COSLA in the consultations—assumptions as to the nominal rent level which we were seeking, as to the interest rates and as to the management and maintenance costs uprated to meet inflation in this year. As I have said, we looked at the representations made to us. In many cases we found that the authorities thought that their rent increases would be much higher than £1, because in the past they had either ignored housing expenditure limits or had found that their management and maintenance costs were much higher than the average for Scotland. Obviously, we considered the matter, because in the event we concluded that only two authorities met the criteria that we had set, and merited a higher rate fund contribution limit. It may surprise the hon. Member for Orkney and Shetland (Mr. Wallace) to know that they were Orkney, and Badenoch and Strathspey. We also accepted the argument of Edinburgh district council that, in its particular circumstances, if it was to be treated fairly with all the other authorities, its rate fund contribution limit needed to be raised. That we did in December.

In the case of all other authorities that made representations, we concluded that either the authority did not face a rent increase significantly in excess of the average, or that if it did it was due to its failure to observe housing expenditure limit guidelines in the past, or to its including in its calculations an estimate of loan charges significantly higher than we thought reasonable, or to its intending to increase expenditure on management and maintenance by significantly more than the rate of inflation. As the hon. Member for Orkney and Shetland, who is a lawyer, will I am sure accept, where those circumstances applied, we did not think that any increase in the rate fund contribution limit was justified.

No doubt we will hear during the debate exaggerated claims from Opposition Members about the impact of rate fund contribution limits on council house rents. We have made clear our view that, making reasonable assumptions about loan charges and management and maintenance costs, we believe that the average rent increase in Scotland next year need be only slightly above £1 per house. That figure was not seriously disputed by COSLA when I met it in December.

Obviously, the rent implications for individual authorities would vary considerably around the average, depending on their own estimates of loan charges next year and on their proposed expenditure on management and maintenance. But I believe that, provided authorities do not increase expenditure on management and maintenance by more than the rate of inflation, few authorities in Scotland need face a rent increase next year of as much as £2 per house per week. I reject totally some of the exaggerated claims about the likely consequences for rents which we have heard from certain authorities in recent weeks. I will return to some of those claims later.

In the current year the average Scottish local authority rent stands at approximately £10·46. The rents of many individual authorities are lower still. In Glasgow, the average rent this year is only £9·75. In Aberdeen it is £8·90. In Dundee it is £8·82. That compares with an average local authority rent in England and Wales of £14·71. Yet in 1984 the average earnings of manual workers in Scotland were actually higher than those of their counterparts in England and Wales, and the proportion of that being spent on rents was considerably lower.

With over half of all households in Scotland in public sector rented housing, it is difficult to justify such low rent levels. If tenants have genuine difficulty in meeting their housing needs, a full and adequate scheme of relief is available to them through the housing benefit system. I am sure that the majority of tenants would accept that their rents must make a realistic contribution to the cost of providing their houses. Indeed, I believe that many of them would be happy to pay higher rents in return for a better service. Perhaps local authorities fear that a more realistic relationship between rents and the cost of providing the service might lead more tenants to question whether their landlords are providing value for money.

I am convinced that there is room for greater efficiency—with consequent rent savings for tenants—in the way that local authorities run their management and maintenance services. For example, if Glasgow brought its management and maintenance expenditure per house down to the average for the other 55 authorities, it would save the equivalent of a reduction in rents of £1·14 per house per week. If Edinburgh, which now spends more on management and maintenance per house than any mainland authority in Scotland, were to do the same, it

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could cut £1·70 off every tenant's weekly rent. These figures speak for themselves, and I hope that tenants will ask whether their landlords are giving them value for money.

Mr. Robert Hughes (Aberdeen, North): Will the Minister stop using the phrase "management and maintenance expenditure" and instead differentiate between management expenditure, and repair and maintenance expenditure? It is the figure for the latter that should be taken into account.

Mr. Ancram: If the hon. Gentleman had listened to me, he would know that we have uprated last year's figure to keep it in line with inflation. Thus the management and maintenance assumptions of last year are being maintained in real terms.

We are concerned to reverse the present rising trend in rate subsidies to housing. Such subsidies contribute nothing to the provision or modernisation of public housing. They do not encourage efficiency. They benefit only the better-off tenant who has no need for subsidy, and they are wasteful of scarce resources. We have consulted widely, and at length, on the individual limits in the order before the House, and I am satisfied that the figures are fair and reasonable. In particular, I believe that the impact on council house rents, which I calculate will be to raise rents on average by little over £1 per house per week, is not excessive and is justified in present circumstances.

In the past few weeks we have heard several claims being made. In particular, we have seen press reports that Edinburgh district council

"is refusing to put up rents by the Secretary of State's average of £1."

That is not surprising, because the council does not need to. Calculations carried out by Shelter—hardly one of the Government's arch supporters, and a body that generally sets its figures on the high side—suggest in the briefing paper sent to Members of Parliament that Edinburgh could comply with its rate fund limit and increase its management and maintenance costs in line with inflation with a rent increase of only 18p.

I think that ratepayers and tenants have a right to ask what the greatly increased expenditure that Edinburgh claims is needed is for. I have pointed out that Edinburgh already spends more on management and maintenance per house than any mainland authority; administration takes up a staggering £122 per house—more than 50 per cent. above the Scottish average. The plain fact is that Edinburgh has been very fairly treated indeed. We have revised its rate fund limit, and we have also increased its capital allocation on the HRA block by 50 per cent. this year.

Mr. Gavin Strang (Edinburgh, East): The Minister does not seem to realise that Edinburgh's council rents are much higher than the rents of other Scottish cities. Indeed, I hope to be able to refer to that later. Furthermore, the hon. Gentleman does not seem to realise that Edinburgh's housing stock has been massively neglected in recent years. Hon. Members on both sides of the House have witnessed that. More expenditure is drastically needed.

Mr. Ancram: The hon. Gentleman has made my point for me. I have just confirmed that we have increased Edinburgh's HRA block by 50 per cent. this year. If that is not a substantial increase, I do not know what is. That has been done to enable Edinburgh to look after its stock. The hon. Gentleman made a valid point in saying that Edinburgh rents are high. But that is precisely why the district council is talking nonsense when it says that it is being required to impose excessive rent levels.

I have heard what Edinburgh has to say, but if Edinburgh chooses to go outside the law we can conclude only that it is doing so for purely dogmatic reasons. In due course I am sure that voters will take note, and that they will act accordingly. But for the more immediate future let me make it clear that if Edinburgh or any other local authority decides not to budget for rate fund contributions to the housing revenue account within the limits set by the Secretary of State they should be in no doubt that my right hon. Friend will take all possible steps open to him to ensure compliance with the law. The principal powers open to him are his default powers under section 211 of the Local Government (Scotland) Act 1973 under which —if following an inquiry he considers that an authority is in default—he can press for an order of specific performance from the Court of Session. Failure by the authority to comply with such an order of the court would constitute contempt of court, with all the penalties that that entails; and in certain circumstances individual councillors can be required personally to make good illegal expenditure incurred.

We have, however, as do the people of Scotland, a legitimate interest in the official stance of the leadership of the Labour party on this issue—the question of the breach of the law. Parliament has a right to know where the Labour party stands on the question of breaking the obligations placed on local government by this democratic Parliament. The hon. Member for Garscadden has been asked this before, and I am offering him the opportunity tonight to make his position clear. Those of us who have tried to follow the stance of the Scottish Labour party through the media must confess to being confused. On the one hand, it apparently does not condone law breaking —how comforting, if I may say so. On the other hand —and it is beginning to sound like the Liberal party in this — it supports councils in breaching statutorily imposed limits, or so it would seem.

But I understand that our Labour leaders in Scotland have reconciled their position in some amazing stretch of legal principle founded upon the belief that only proof of illegality, whatever the prima facie nature of the act, should merit their opprobrium and condemnation. What a miracle of twisted morality. What in effect they are saying is, "Do what we think is wrong with our blessing, and we will not withdraw that blessing and replace it with condemnation until we are told it is wrong and when it is too late to stop you. We will lead you firmly from behind." That is the message of the Labour leadership in Scotland to Labour councillors. What an abdication of leadership. What a run for cover from the threat of militant disapproval. What a farce.

The hon. Member for Garscadden is an honourable and reasonable man. I hope that he will take this opportunity to tell the House that his party has been misreported in the media. I trust he will tell the House that his party respects the law, that his party accepts the democratic decisions of Parliament unless and until they are changed and that he calls on his supporters in local government to respect the law and to abide by it. If he is honest, he cannot sit on the fence, he cannot lead from behind and tonight he cannot

cavil. Today he has an opportunity to set the record straight. Does he in the true principles of democracy state that the law must be obeyed and that he will give no comfort to those who seek to break it, or does he subscribe to that dangerous path that supports its breach? He can wriggle no longer, for the question is simple and the answer in honesty is unavoidable.

It is in the confidence that Her Majesty's Opposition can only back the law determined by this Parliament that I commend these orders to the House.

7.52 pm

Mr. Donald Dewar (Glasgow, Garscadden): I do not know about my hon. Friends, but I was not terribly impressed with all that. There was a slight lack of continuity, I thought, about the hon. Gentleman's remarks. They had been very carefully prepared. I thought there was a great scarcity of argument for the Under-Secretary to remark, "I am satisfied that the figures are reasonable", and to conclude all argument and all discussion on that note does not seem to me to be entirely convincing.

I regret that the Secretary of State for Scotland did not open the debate. I say that not as a matter of protocol or etiquette—after all, some of my hon. Friends might think that he would not be missed in this or any other debate—but because this is a rather unusual event and we are not engaged in a run-of-the-mill outbreak of bickering between Government and Opposition, the kind of trivial arguments that sometimes mark debates in this place.

In these orders and in the Housing Revenue Account Rate Fund Contribution Limits (Scotland) Order we have a real and unwelcome departure from accepted practice and a real shifting in the balance of power between central and local government. I fully accept that on many occasions in the past we have had disappointing and sometimes plain bad housing support grant settlements. Very often over the last few years we have had some driech and dreary testimonies to the indifference and, if I may say so, insensitivity of Ministers who just do not seem to be able to grasp the reality of the crisis that is facing district councils and housing authorities in Scotland.

At this time there is no doubt that discontent is sharpening into dissent, and legitimate argument is reaching the point of escalating into confrontation. In that situation I do not think that it is satisfactory that some unfortunate junior Minister is put up to read a departmental brief in a thoroughly unsympathetic and, it seems to me, uncomprehending way. One of my hon. Friends was calling, "Bring back Russell Fairgrieve"—at least he wrote his own speeches. I can think of no fairer criticism of the efforts of the hon. Member for Edinburgh, South (Mr. Ancram).

Why do we protest? First, I wish to address myself to the figures and to the housing support grant settlement. We know of course that this year it is £48·2 million, a new low, and I believe—and I think I will carry a great deal of support across the range of opinion in Scotland—that is an insult when measured against the housing needs of the nation. When we remember that in 1979-80 it stood at £213 million and that it reached £228 million in the second year in which the hon. Gentleman was in St. Andrew's House, to see it now at £48·2 million marks the complete inadequacy of the Government's response to Scotland's housing needs. What we see in terms of the housing support grant is a remnant, a battered remains of the Government's contribution. As for the district councils, there are only 23 survivors. Thirty-three in some miraculous way have been given a surplus manufactured on improbable assumptions and based upon the arithmetic of make-believe.

The Under-Secretary in a sense used an interesting phrase in that regard when talking about surpluses. He referred to authorities "which could in our view generate a surplus". That may be the view of the Minister, but the artificiality of the figures that are used—the deemed amounts for maintenance and repairs, the deemed rent income—bears no reality in many cases to what is happening in local government in Scotland. It gives an air of complete unreality to these damning calculations which have resulted in the quite catastrophic slump in support to the housing revenue account. Even among the rump which have survived—those who are still receiving housing support grant—a large number of authorities are suffering greatly. Glasgow, which of course receives the biggest share of what remains, will receive £24·8 million in the coming year. Five years ago it received £52·2 million. As a Member of Parliament representing Glasgow I know nothing—and I put this as gently, as negatively, as I can—in the housing conditions of Glasgow that could justify that kind of catastrophic slide in the Government's commitment and their help and support.

Of course, it is not just the great conurbations that are suffering. Banff and Buchan authority is down about £700,000, and no doubt the hon. Member for Banff and Buchan (Mr. McQuarrie) will have views upon that. The authority of the Minister's Parliamentary Private Secretary, the hon. Member for Moray (Mr. Pollock), comes down from £1·68 million to £980,000. Argyll and Bute authority, which is represented by the Under-Secretary of State, the hon. Member for Argyll and Bute (Mr. McKay), loses close on £500,000, which is a not insignificant sum, certainly for a district council of that size. Everywhere the situation is the same. One cannot take that kind of money from the maintenance of the housing stock without a substantial and worrying impact on all concerned.

The Under-Secretary, perhaps understandably, given that he had such a thin and miserable case on the current expenditure side, tried to make a good deal of the capital expenditure plans for the coming year. I am not sure that his figures compare like with like. I would think that £244 million to £270 million was a fairer comparison on the HRA side. Of course, these are figures in cash. Perhaps the hon. Gentleman would like to look at his own White Paper on public expenditure which was published yesterday. After all, we are not looking at the capital side, and presumably he dragged it in as some sort of camouflage exercise for the purposes of the debate. The hon. Gentleman will observe that between 1984 and the next financial year the revenue expenditure of local authorities on housing is budgeted to drop from £111 million to £98 million. On the capital side, there will be a drop from £295 million to £260 million. The Minister will say that much of that is due to the private sector, the non-RHA, decline. I accept that, but he cannot get away from the fact that his White Paper shows that on both revenue and capital there will be a cut of about 15 per cent. between this year and next year. That seems to give the

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lie to and to undermine the spurious and specious claims that the Government have shown concern for the housing problems of Scotland.

Mr. Ancram: The hon. Gentleman seems to have great difficulty in understanding the figures on the HRA. Will he accept that housing authorities in Scotland have been given consent to spend £227 million this year? On the figures that I have announced today, they will be able to spend £267 million next year. That is a cash increase of £40 million, which will be spent on precisely the problems that the hon. Gentleman is talking about.

Mr. Dewar: I suspect that the Minister is omitting some factors. There was almost certainly an addition and the hon. Gentleman usually boasts about such additions during the financial year. The figures that I gave come from the Government's White Paper. I am not manufacturing anything. The Minister is doing the manufacturing and, in his desperation, he is reduced to arrogant sneering about the mental powers of others. He is in a poor position to make such comments.

Knowing some of the problems involved—I talk to the people involved and look at what is happening—I find it offensive for the Minister to suggest that the scourge of dampness in public sector housing in Scotland could be dealt with by a minor adjustment in the spending priorities of local authorities. That sort of statement trips too easily off the Minister's tongue. If he thought about it, he would recognise that he is being, at best, misleading and is, at worst, putting up a dishonest smokescreen to hide the reality.

The impact of the housing support grant settlement and the cuts that I have referred to will be frightening. We shall see the housing stock deteriorating and standards falling. The struggle in many areas is to maintain property in a wind and watertight condition. The Under-Secretary said that there is no sound evidence that we need more money for repairs of council houses in Scotland. He should visit almost any large housing scheme, certainly in west central Scotland and, on the evidence of my briefer acquaintance with other areas, almost any other part of the country.

I often feel sorry for the staff of housing departments who can see the problems and are often under siege from tenants who are suffering from the problems. Those staff know that they do not have the resources to provide the solutions that they would like to provide. I am even sorrier for the tenants who have to live with faults and defects that affect the quality of their lives. I have anger and contempt for a Government who, in the face of all the evidence—hon. Members should just read the Select Committee report on dampness — pretend that the problem is nothing to do with them and is not of their making.

Leaving for a moment the size of this year's settlement and moving on to the rate fund contribution limits order, our second objection is that the Under-Secretary failed to address himself to the points of principle behind that order.

I agree with the Minister that the housing expenditure limits system was unsatisfactory and involved a complicated and unjust series of penalties related to rent levels. We are glad to see the back of that system, but it is a perverse ingenuity for the Government to come up with a solution that is even worse. Housing expenditure limits should have been scrapped and not replaced.

I believe that the Government's intention is to try to control rent levels in Scotland. That is an important departure, because I presume that the Minister intends to keep the machinery in place and that, year after year, we shall see rents forced up in an unacceptable manner.

District councils have many important functions, but I do not think that anyone would disagree that, basically, they are housing authorities. It is an essential power of a housing authority, and one of the reasons why its councillors are elected, that it can set its own rent levels. Soon, rents, rates and the pattern of housing expenditure, particularly now that guidelines are virtually mandatory —because of the way in which the general abatement works and the apportionment of the general abatement —will be dictated by men from St. Andrew's house.

The power of the Secretary of State is increasing. In the interests of local democracy, it ought to be diminishing. That is not merely a partisan party point, though it could be presented as such. I believe that my view is shared by COSLA, whatever the colour of the politics of various councils. My impression at yesterday's lobby organised by COSLA's district councils policy committee—I concede that many people were talking about the rate support grant as well as housing matters—was that Liberal councils, independent councils and even Tory councils — councillors of Eastwood and of Bearsden and Milngavie specifically asked to be associated with the lobby—did not like the fact that their powers are being undermined and that the balance of power is being tipped in favour of the Scottish Office.

I do not want to read a constitutional lecture, and I would probably not be competent to do so, but I make the simple point that one of the strengths of our country is that we have competing and balancing centres of power. That has been true of our government structure in Scotland. If we weaken the power of local government against central Government, we shall remove an important safeguard.

When we protest about the rate fund contribution limitation system, which is being used for the first time, it is not just because of the effect on rents. It is also because we believe that it is wrong and objectionable. I hope that the Minister will reply to those important matters.

The new scheme will force up rents. That is what the Government want to do and, to be fair to the Under-Secretary, he made no bones about that. The Government claim that the system will increase rents by just over £1. We all deal in averages, but I suspect that that average may turn out to be too low. The Minister conceded that in many areas rent increases will be considerably higher than that. For example, the rate fund contribution limitation will add about £1 to rents in Glasgow. On top of that come the cut in housing support grant and the effects of inflation. Glasgow tells me that it is looking at an increase of £2·20 or perhaps more. The hon. Member for Orkney and Shetland (Mr. Wallace) has referred to Shetland's startling figure of £7. There may be special circumstances there —the council has a big modernisation programme under way—but that is still a very large sum.

Even the Government's own figure is twice the going rate of inflation. I do not believe that we ought to hijack the traditional and central power of district councils to allow Ministers, who represent a rump of opinion in Scotland, to do a bit of unjustified social engineering. There is no doubt that it is a matter of social policy—we heard about the English comparisons and about wage

rates in Scotland. I am unimpressed by those arguments and I believe that tenants will also be unimpressed. If rents are far too low in Scotland, why is the housing benefits scheme, constructed by this Government, extended to over 60 per cent. of council house tenants in Scotland? In the light of that one startling fact, how can it be claimed that rents are too low? By how much will that 60 per cent. figure increase if we allow the Government to push up rents as they suggest? The whole system is arbitrary and unreasonable, as is shown by the concept of a 10 per cent. cut across the board.

Edinburgh's rate fund contribution is £47 per house. The city has a legacy of neglect and inadequate services. Its rate fund contribution is half the average in Scotland and less than a third of the contribution of many of the larger councils in Scotland. What is the point of holding them down at that level, which is out of line with practically every other council in Scotland, and certainly every other comparable council? It makes no sense and the Minister must know that it is nonsensical.

The nominal rate fund contribution for Glasgow was £29 million and it is to be reduced to £26·5 million. Everyone knows that it was in fact £35 million in the current year. Therefore, £8·5 million is to be found from rents. A measure of the pass to which things have come is that Glasgow has raised in the Court of Session an action against the Secretary of State claiming that the order is ultra vires. That does not affect the debate because the proceedings have not reached the stage where they impinge upon the sub judice rule. The summons has only just been served.

The Minister preaches to me sanctimoniously about the rule of law. I think that there might have been a case for staying the Government's hand until the Court of Session had decided the outcome of the case. It seems that it is a stateable case, and I say that as modestly as I can.

The Minister spoke about consultation, but we know that one of the factors that brought the Glasgow case to the courts was the way in which Glasgow's representations about the considerable blow that the settlement would have on the rate fund contribution limit were met. They were answered by a stereotyped letter in which "Glasgow" had been written hurriedly in ink. That showed that the answer was being sent to all authorities irrespective of their cases.

I hope that the House will recognise that we feel strongly about this matter. I believe genuinely that the monstrous business is unnecessary. The housing revenue account between 1978-79 and 1985-86 shows that the Government's contribution to housing support grant in Scotland — that is the conglomerate housing revenue account—has decreased from 39 per cent. to 7 per cent. In other words, the Minister has cut his contribution to almost nothing.

The percentage of the housing revenue account that is met from rents, which are apparently such a worry to Conservative Members, has increased in the same period from 47 to 80 per cent. The Government's contribution has decreased massively while rents have increased massively. That is the trend and it is one that makes nonsense of the Minister's more excitable claims and those of his colleagues. I accept that the rate fund contribution has increased, but only from 14 per cent. to 18 per cent. It has been held steady over the past three years, and if the Minister has his way it will come down to 13 per cent.

The rate fund contribution has been largely static. There has been very little movement in that area while rents have been increased to meet a larger and larger share of the general burden on the revenue side. Total housing resources in cash terms this year as against last year will decrease by £71 million. There will be a decrease of £30 million in the rate fund contribution, of £14 million in the housing support grant and of £27 million in the capital account overall.

Mr. Barry Henderson (Fife, North-East): I do not follow the hon. Gentleman's figures. He has talked about the rate fund contribution having been decreased. The extent to which there is to be a rate fund contribution to the housing revenue account has been reduced. If we encourage local authorities to pay a substantial rate fund contribution, one of the effects will be to diminish the amount to be paid in housing benefit by the general body of taxpayers but not ratepayers.

Mr. Dewar: The hon. Gentleman has misunderstood at least some of the figures that I have recited. I was saying that the rate fund contribution has increased only marginally while rents have been increased massively. At the same time, the Government's contribution has been reduced massively. The overall resources available for housing have decreased by about £71 million. I accept that the rate fund contribution can be a controversial issue.

I understand that the local authority within the constituency of the hon. Member for Fife, North-East (Mr. Henderson) is facing a 37 per cent. increase in its rates in the coming year, although it is within the Government's guidelines. The hon. Gentleman is interested in helping the ratepayer by cutting the rate fund contribution, but if we really want to help the ratepayer we should do so by concentrating properly on the effects of revaluation. We should do so by stopping the savage reductions in the rate support grant which are facing so many councils at the same time as large rates increases. We should not do so at the expense of council house tenants by means of an artificial and unnecessary reduction in the rate fund contribution.

Mr. Michael Forsyth (Stirling): Will the hon. Gentleman deal with the central point? By raising rents rather than increasing the burden on the ratepayer we shall move away from a system which is regressive, which makes those who cannot afford to do so pay towards a system that puts the burden on those who can pay. It is wrong for the hon. Gentleman to attack the Government because they are moving away from a system that subsidises council house tenants who may have large incomes to one that protects ratepayers who do not.

Mr. Dewar: I accept that the hon. Gentleman is obsessed with the tax burden generally and would like to see it cut. I am not sure about the equity of his proposition that the entire burden should fall on the comparative minority of tenants who do not receive housing benefit. I am not greatly attracted by that proposition. That shows the difference of approach between us, which we shall have to argue about on a wider stage.

This collection of orders illustrates a mean-minded approach which is likely and, I fear, intended to make council housing a less attractive option than it was. I fear that there are those in the Conservative party—I need look no further than those on the Conservative Benches —who feel that council housing should be a fall-back option or a safety net for those who are not fortunate

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enough or confident enough to be able to scramble successfully in the private sector. That is not a concept of public sector housing which commends itself to my right hon. and hon. Friends or to the majority of those in Scotland.

Councillors are bitter and disillusioned, as are many tenants and ratepayers generally. After all, tenants are ratepayers and that should not be forgotten. Council house tenants do not live in ghettos. They pay their rates and taxes and deserve fair consideration. The Minister should not underestimate the pressure on councillors from public opinion in Scotland, which they much more fairly represent than Ministers. No one on the Opposition Benches seeks confrontation. None of my colleagues wants to see local authorities and the Government at loggerheads and facing a complete impasse, which will necessitate the creaking and oppressive machinery of coercion coming into play. I do not want to share the Minister's vision of section 211 inquiries, Court of Session actions, surcharges and all the other procedures.

Mr. Ancram: I do not want that either.

Mr. Dewar: At least we have that in common. We should be considering how we can best avoid that happening. I will not encourage or support those who find themselves in defiance of court orders. That would not be proper and could not be done. Councils are entitled at this stage and are right to stand their ground and to put their point of view to Ministers, but if there is no response from the Government we could end up with confrontation. That will be a tragedy which no one wants.

Who can make the greatest contribution to avoiding that confrontation? That can come from Ministers, who are presently insisting on an unreasonable set of propositions which bear no reality to the situation that is faced by district councils. I say to the Secretary of State, his satraps and his mouthpiece for the day that if he wants to show a little common sense he will best do so by withdrawing from the brink, by recognising the housing needs of Scotland and by not forcing councillors into a position where choice becomes impossible. They should not be asked at his behest to betray the interests of those who elected them and to whom they are answerable.

Misery and more misery are offered by this clutch of orders. The orders offer poorer services and higher rents —people will pay more and get less. I believe that the housing support grant settlement as outlined is hopeless and inadequate. The rate fund contribution limitation is misconceived and oppressive. The Opposition want none of it, and we shall vote accordingly.

Mr. John Home Robertson (East Lothian): On a point of order, Mr. Deputy Speaker. In the light of what has been said, it would be intolerable if the Under-Secretary of State, the hon. Member for Edinburgh, South (Mr. Ancram), were to reply to the debate. Have you any way of ensuring that the right hon. Member for Ayr (Mr. Younger), who calls himself the Secretary of State for Scotland, faces the music?

Mr. Deputy Speaker (Sir Paul Dean): The hon. Member makes a political point. It is not a point for me.

8.20 pm

Mr. Barry Henderson (Fife, North-East): I listened with great interest to the hon. Member for Glasgow, Garscadden (Mr. Dewar).

Mr. Willie W. Hamilton (Fife, Central): On a point of order, Mr. Deputy Speaker. I should like to clarify a point for future reference. If the Minister who opened the debate, the hon. Member for Edinburgh, South (Mr. Ancram), seeks to speak at the end of the debate, must he receive the permission of the House?

Mr. Deputy Speaker: Because the hon. Member for Edinburgh, South (Mr. Ancram) moved the motion, he does not need the leave of the House to wind up.

Mr. Henderson: It is astonishing how some people who feel bested in an argument have to find other ways of venting their frustrations.

The capital allocations, particularly for the HRA block, made available to local authorities are probably as much as most local authorities could reasonably have hoped for at present. I believe that the non-HRA block is not as generous as the HRA block and is more important in certain areas than in others. I should like my hon. Friend the Under-Secretary of State to examine more carefully the determination of non-HRA block for individual local authorities and to consider whether better criteria would lead to an improved allocation of non-HRA block funds which are more scarce.

I quarrelled with the hon. Member for Garscadden about rate fund contributions. It is appropriate to move from rate fund contributions to housing revenue accounts as rents generally begin to reflect costs and housing benefit is a more effective way of helping those who need help. Housing benefit is a cost ultimately met by the general body of taxpayers, not by the specific ratepayers of a local authority.

Mr. Jim Craigen (Glasgow, Maryhill): The fact is that local authorities, other than new towns and the Scottish Special Housing Association, must meet 10 per cent. of the cost.

Mr. Henderson: When there is a substantial rate fund contribution to the housing revenue account to depress rents and to save having to pay housing benefit, the local authority is responsible for 100 per cent. of that cost. It is sensible to move to a position in which one can get away from rate fund contributions to the housing revenue account.

The purpose of helping with housing costs is to meet the needs of people rather than to satisfy ideas about particular types of houses deserving subsidies. People, not houses, should receive help.

I have some sympathy with the point raised by the hon. Member for Aberdeen, North (Mr. Hughes) in an intervention when he distinguished between management costs and maintenance costs. I should like my hon. Friend the Under-Secretary of State to reflect more on the answer he gave off the cuff to the hon. Member for Aberdeen, North. There is no doubt that some of the costs which come under the heading of maintenance and management are grossly excessive. There are fantastic and inexplicable differences between local authorities. An analysis of the reasonableness or otherwise of management and

maintenance costs would be helped if we could start by distinguishing between the costs of management and administration and the costs of maintenance.

Mr. Robert Hughes: The housing revenue account for the Aberdeen district council shows that management costs and repair and maintenance costs are identified separately.

Mr. Henderson: The more these matters are broken down, the more helpful it is to analyse what is sensible.

I should like my hon. Friend the Under-Secretary of State to consider the possibility of giving an element of support in our housing policies to recognise that local authorities have responsibilities for housing not related specifically to their council estates. I have in mind the monitoring of all housing conditions, advising about housing generally—not necessarily related to tenants—and examining some aspects of coping with homeless persons and community provision for non-council sheltered housing. I appreciate that those are not major expenditure items compared with the main items that must be considered in running council housing estates, but they show up when budgeting is tight, especially when a local authority is at the margin of eligibility for housing support grant. I take at random the case of the North East Fife district council which last year did not expect to receive housing support grant. To the council's pleasant surprise, during the year it received the small sum of £17,000 in housing support grant. That proves that the district council was at the margin. It would be helpful if we recognised the non-council housing costs of local authorities in determining the support available from the Exchequer.

I hope that some of my points will be borne in mind when the Government are seeking to determine the future appropriate levels of housing support grant and housing allocations generally.

8.27 pm

Mr. Hugh Brown (Glasgow, Provan): I shall not follow the remarks of the hon. Member for Fife, North-East (Mr. Henderson). His contribution about non-housing support grant seemed a little jumbled. To use the parliamentary jargon, I believe that the speech by the Under-Secretary of State should have been entitled, "Line 1, 'delete Lothian regional council and insert Edinburgh district council'". His speech had no substance and gave no indication that he understood some of its points. When the Under-Secretary of State was questioned by my hon. Friend the Member for Aberdeen, North (Mr. Hughes), the hon. Gentleman seemed confused about the two elements in the housing support grant. I give the Under-Secretary of State credit for one thing: attack is the best form of defence, and the hon. Gentleman did his best. I hope to demonstrate that the hon. Gentleman was wrong on both counts.

I do not wish to be too personal, but I have always thought that the Under-Secretary of State was slightly guilty of using slick language. That came through in his speech when, for example, he said that COSLA was in full agreement on the formula. We all know what that means, but the Under-Secretary of State wished to convey to those outside the Chamber that COSLA agreed with the settlement. That is entirely different. I know that the hon. Gentleman can wriggle out of that accusation. When the Under-Secretary of State was accused of attacking council tenants, he said that that was rubbish. We shall demonstrate that this measure is an attack on council tenants.

I object to the Under-Secretary of State saying, "We shall hear exaggerated claims from the Opposition". That might be all right for a press note. I have never been guilty of exaggeration in this place — *[Interruption.]* The Under-Secretary of State uses an omnibus approach which sounds good in debate. I personally resent that if only because on this occasion there is absolutely no need for us to exaggerate.

We have been inundated with representations. I shall claim a few moments' injury time to save others having to give the information again. Detailed representations backed up by facts and figures and well documented cases have come from the city of Glasgow council, the Strathclyde housing liaison group, the Scottish local government information unit, the Scottish Federation of Housing Associations, Shelter, and the Convention of Scottish Local Authorities. The largest delegation of local authority representatives that I have ever seen has come here to lobby Parliament. I hope that no one will be cynical enough to ask why so many people need to come to London at the ratepayers' expense. I see the Minister nodding already.

I have the greatest admiration for the Secretary of State — [HON. MEMBERS: "Why?"] I will put the boot in then. Representing an east end constituency in Glasgow I felt a certain obligation to attend a luncheon in Glasgow, on Friday held on behalf of his former company. I put it to any Conservative Member thinking of trying to make capital out of the large number of local authority representatives here this week that the cost of that was nothing compared with the lunch in Glasgow on Friday. I did not spend a lot of time there as I had to go on a housing meeting, but I am not trying to be virtuous about that. I do not complain about that lunch, but I hope that no one will make cheap, unworthy points about the cost of lobbying Parliament. We should appreciate the frustration of so many councillors and their need to feel that they can make representations in that way. I welcome the large number of representatives who have come to the House and the representations that they have made.

I know that it is a sign of age to be constantly looking backwards, but from time to time I feel obliged to draw attention to the needs of the so-called deprived areas. The argument about local democracy has been very strong in the representations made in the past couple of days. The Government are interfering with the rights of locally elected representatives to carry out policies and provide services as the people who elected them wish.

Some of those who criticise the Government for interfering may be unaware that that is traditional Conservative Government policy. The 1972 legislation not only interfered with local authorities and rent levels but specified annual amounts. That legislation, which was taken through the House by the Secretary of State for Scotland, included the ultimate phasing out of all subsidies. So there is nothing new about the policy, if such it may be called, now being pursued by the Government. They are trying to do the things that they were unable to do in 1972 because they had no basis for assessing the real housing needs of the people of Scotland. The result then was that the Clay Cross martyrs had to be rescued in England and their Scottish counterparts had to be rescued

[Mr. Hugh Brown]

by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) from the penalties that the Conservatives sought to impose.

Previous housing legislation from Conservative Governments required Glasgow and Clydebank——

Mr. David Lambie (Cunninghame, South): And Saltcoats.

Mr. Brown: Saltcoats is always worth mentioning in a housing debate, but Glasgow and Clydebank were actually taken to court for refusing to revise rents upwards. There is nothing new about Government interference of this kind. The sad fact is that all the examples are in periods of Conservative Government. The Conservatives are incapable of treating local authorities with respect or showing any confidence in them. There are faults on both sides, of course, and there is not time to analyse this in depth, but Conservative Governments seem incapable of reaching understanding with local authorities in Scotland.

Having received so many submissions, I intended to make a speech without citing any figures. So far, I have succeeded. I wish, however, to draw attention to another slick presentation by the Government. I give credit to the Conservative Government of 1970-74 for bringing forward the concept of housing associations as a genuine attempt to provide some means of replacing the dwindling private rented sector. Since then, there has been all-party recognition of the work done by housing associations and the need to support them. We have now been told in a very slick presentation that next year the housing associations' percentage of total housing resources is going up. How dishonest can Ministers be? How can they present the situation to the public in that way when the actual resources available to housing associations will be cut? It is no use the Minister shaking his head. We all know that figures and percentages can be juggled. I do not even remember the figures, but the presentation was blatantly dishonest.

It is pathetic for the Minister to try to deny that housing authorities face major problems. He shakes his head again, but if he does not deny that there are massive problems — dampness, multi-storey blocks, system-built houses and other problems that scream out for large amounts of money — the resources being made available are certainly utterly inadequate to meet the situation. The Government should come clean and admit that this is yet one more example of authorities being required to fit into the Government's public expenditure programme and do the best that they can.

Finally, I hope that the Minister will look sympathetically at the par value co-operative idea in Glasgow. If his answer is no, clearly I do not wish to hear that today, so I merely ask him to go away and consider this. It is a complicated matter and I do not wish to spend time on it now, but I hope that I offend no one when I say that in this context, as with housing co-operatives, the much maligned Glasgow district council is in the vanguard, albeit having been virtually forced into it due to lack of resources. Nevertheless, it is an imaginative idea and deserves support. It is not cheap. I accept that the Minister will have difficulties with it. However, I hope that he will consider the idea sympathetically. It is not a trick designed to get around the provision in the Tenants' Rights, Etc. (Scotland) Act 1980 giving every tenant the right to buy. At least in my eyes, that is not the main purpose of it. It is a genuine attempt, where there are limited resources, to give people hope.

I can give the Minister details. Calvay crescent in my constituency is a disaster area where there is no likelihood of resources being made available in the conventional way. I beg the Minister to consider the idea sympathetically and perhaps in due course help Glasgow by pushing forward the idea of a housing management concept that will give more people pride in their own area.

Lastly, there is the question of the peripheral estates. There is a leak in *The Guardian* today. The Government are subject to leaks at present, but this one seems well informed. It is about the future of improvement and repair grants. I imagine that the idea of par value co-operatives has been promoted in Glasgow as a means of getting into the private sector account. There is no deviousness. That might have been one way of escaping from the capital restrictions in the housing revenue account side and using some private sector money for improvements in private sector. I hope that we shall not hear bad news about cuts in even that area of housing expenditure. I give the Government credit for allowing reasonable resources for that in the past couple of years.

The Government do not have a housing policy. Although I do not intend to make any public announcement, I intend to make a decision about my future in due course and so I do not need to worry unduly about pressures from any quarter inside or outside the House. There is not enough fundamental thought about the whole of society at present. People are having to apologise for an economic system that cannot find useful work for almost 4 million people. It may be said that Socialism is not the answer.

Mr. Michael Forsyth: Socialism was not the answer.

Mr. Brown: I have no time for the small minds of people such as the hon. Member for Stirling (Mr. Forsyth). Under this crazy, outdated economic system, even the best educated people from Eton and Ampleforth——

Dr. Norman A. Godman (Greenock and Port Glasgow): What about Fettes?

Mr. Brown: Even the best educated people cannot produce an economic system that uses the wealth of talent and skills available to the benefit of all our people.

Within the confines placed on us we are trying to argue for more public expenditure on housing. I would not claim that we can solve every problem by flinging money at it. However, we have to look at the conditions in which people are living in the deprived areas. It is obscene to argue that tax cuts should be a priority in the Budget. I feel humble at times when I see the conditions in which we ask people to live and then listen in the House to academic arguments from accountants to the effect that tax concessions lead to social justice and will improve the economic system. We all know that the biggest tax concessions will go to the wealthiest.

I beg Ministers to consider the problems. I have visited Pilton, Craigmillar and Western Hailles. The Secretary of State for Scotland has visited Provan once in his lifetime. Perhaps he should visit us a[illegible] and see the deep social problems of drug-taking and so on that arise in deprived areas. Housing expenditure not only creates jobs but helps people. I wish that more resources were available for it.

8.45 pm

Sir Hector Monro (Dumfries): It is always a pleasure to follow the hon. Member for Glasgow, Provan (Mr. Brown). I am glad that he did not go over the brink and say that he is to leave the House. I very much hope that he will not do so. I should be as sorry to lose him as I should be to lose my pair. The hon. Gentleman's experience is most valuable and we have listened to him with interest.

The debate follows the publication yesterday of the White Paper on spending, which emphasises the importance of containing inflation. Local authority expenditure is public expenditure, and therefore we must consider it in terms of inflation. However, I welcome in the White Paper the increased expenditure in real terms on the National Health Service and on social security. That aspect of the White Paper nails for good the constant criticism from Opposition Members to the effect that we are cutting those two valuable services.

Increases in the number of doctors, nurses, dentists and other specialists have been dramatic. We should highlight that increased expenditure when debating subjects such as housing. Today we are debating housing and housing support. We are not debating rate support grant. We shall deal with that tomorrow.

The three orders mark out the pattern of local authority revenue spending on housing. I am glad that there is agreement within COSLA on the formula, although there is not yet agreement on the settlement. However, if a group of Ministers and local councillors understand the formula, that is certainly a step in the right direction. I have been totally at a loss to understand the rate support grant and housing support formula for several years. I am glad that someone is beginning to see the light.

The two grant orders set the proportion of subsidy to be provided by the Government, and the rate fund contribution order limits the amount of money to be transferred to the housing revenue account from the rate fund by certain authorities. The Minister explained his point of view. It is obvious that the district councils are far from happy. The figures — we shall deal with them much more thoroughly tomorrow in terms of the rate support grant and the rates that will be payable by residents in local authority areas — are very critical. From the figures that the Minister has given, on a stand-still budget —and we must accept that it could be possible to have a stand-still budget—the rate increases bandied about in the press and elsewhere are very much exaggerated. We must allow a percentage for revaluation, but the figures of 30 per cent. or 40 per cent., when balances and other resources have been taken into account, will turn out to be far in excess of what will in fact be levied.

I appreciate only too readily the difficulty that faces councillors in Scotland, but it is not new. During all of the years when I was a councillor we had to accept extreme constraints from the finance committee and the finance convenor. We always had to pare down many of the projects that we would have liked to carry forward and show ratepayers that we were developing the quality of life in the area. Housekeeping and budgeting tightly is not new.

Perhaps my hon. Friend the Minister could say a little more about the assumptions upon which he calculates the housing support grant. The grant is nearly £48 million and I think that I heard him say, amid the hubbub from the Opposition, that, in the light of changes in interest rates, he will probably have to introduce a variation order, as he is empowered to do under the Housing (Financial Provisions) (Scotland) Act 1978. Will the order be introduced in the early days of the financial year or will local authorities learn about it in the autumn?

I was interested in what my hon. Friend the Minister said about supervision and management. I strongly welcome his decision to increase the housing capital allocation to Nithsdale to £3·25 million, following representations from the council, me and my hon. Friend the Member for Galloway and Upper Nithsdale (Mr. Lang), as it will enable a start to be made with the complete renovation of a substantial number of flats in the Lochside area of Dumfries. They are of post-war construction but, sadly, have fallen far below acceptable modern standards. It is right that the district council should renovate them as soon as possible.

In regard to what my hon. Friend the Minister said about management, the additional funds, which I hope will be available, are important as it no use rebuilding that area of Lochside if we do not institute a much improved standard of management so that the flats do not fall into such disrepair again. I hope that the terms of the order will allow that.

As for the rate fund contribution for housing expenditure limits, we know that the housing revenue account is balanced by income from rents, contributions from the rate fund and the housing support grant. While the housing support grant has been diminishing, the rate fund contribution in many authority areas has been rising —hence the limits order stemming from the 1984 rating and valuation legislation. My hon. Friend the Minister can now set an overall limit, but has he done that arbitrarily on an assumption or is there a formula that has been agreed by COSLA?

Housing capital allocations are vital as they cover the improvement, construction and repair of council housing. I am glad that it is up by £43 million, or 19 per cent. That includes the apportionment that has been made to cover condensation and dampness. I was not a member of the Select Committee that made the inquiry, although I was a member of it when it concluded the report and published it, so I listened to the arguments of members of the Committee on the contentious issue of whether a house is damp or suffering from condensation. It is right for my right hon. Friend the Secretary of State to have made a start in this important matter because we have a much longer way to go than £16 million will make an impression on in the first year. There should be a rolling programme for 10 or 20 years to eliminate this detrimental aspect of local authority housing. As the Select Committee made clear, we must emphasise education because condensation is not understood by as many tenants as I should like. They frequently blame dampness when the problem arises from their reluctance to open a window or two during the day.

Overall, we have made a substantial advance in housing improvement. I am glad that my hon. Friend the Minister was able at the end of last year to give a substantial additional sum of £110,000 to Annandale and Eskdale district council, as improvements are crucially important. The Government are granting almost the entire bid of Annandale and Eskdale on the housing revenue account block of £2·82 million. That is welcome news. The non-housing revenue account allocation falls substantially below the council's bid, which was an increase of 90 per

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cent. on last year. Nevertheless, I note from my hon. Friend's letter, dated 21 January which I received yesterday, that the council can transfer resources from the housing revenue account to its non-housing revenue account if it wishes to do so. That is helpful.

The improvement of houses is perhaps the most important issue that we should consider today. I hope that my hon. Friend the Minister will say a little more about where we stand in regard to the percentage grant and the amount of resources that are available. We could improve our housing stock even more rapidly. That would help the construction industry and help reduce unemployment as well. I know that my hon. Friend was able to give a little additional money at the end of last year but more would be valuable.

We should consider the sale of council houses, as it is an important issue in regard to resources. We have a long way to go to make as much impact on the sale of council houses as I should like. There are two district councils in which I am interested. The first, Annandale and Eskdale, has 4,958 houses of which, according to a recent parliamentary question, it has sold only 319 or 6·4 per cent. The second, Nithsdale, has 8,589 houses of which it has sold only 683, or 8 per cent. Both figures are much below those of equivalent districts in Scotland. Although both councils have fulfilled their statutory duties, they could go out on a real selling drive to encourage tenants to purchase their houses. Mortgages are available. They would then have more resources to put into housing.

I have been much impressed by the excellent work of housing associations, especially in sheltered housing. Anything that my hon. Friend the Minister can do to help them keep up their rate of construction would be most valuable in the longer run. Housing associations have a cash limit of £90·7 million, but think that the number of completed houses will begin to fall after this year. If we can reverse that trend, so much the better.

The Minster has a difficult job to produce these orders within the financial targets. We must have an overriding view that winning the battle against inflation is of prime importance. The Minister has done a fine job in balancing a most complicated financial issue. When district councils appreciate what he has done on housing—I emphasis housing because we have a different debate tomorrow on the rate support grant — and that he has made a substantial amount of assistance available to housing authorities this year, they will strongly support these orders.

8.59 pm

Mr Robert Hughes (Aberdeen, North): During Scottish questions a week ago my hon. Friend the Member for Dunfermline, West (Mr. Douglas), in an ironic exchange, said that the Secretary of State for Scotland was pretending to be Generous George. In reality the proper description of him is Gauleiter George. In truth he is an arrogant, overbearing, subordinate wielder of authority on behalf of the Prime Minister.

Never since the inception of the office of Secretary for Scotland in 1885, nearly 100 years ago, has anyone arrogated to himself such dictatorial powers. He is interfering in the rights and duties of elected local authorities in a manner which goes well beyond any reasonable attempt to influence policy matters of elected councillors. I accept, and always have, that central Government have a locus to seek to influence the policy of a local authority. However, on national policy, whether the establishment of comprehensive education, which I like, or tenants' right to buy, which I dislike, statute is the proper way to express that influence. But influence on local issues should be achieved, if it is to be achieved, by consultation, discussion and agreement. If agreement cannot be reached, providing the authority is not in breach of statutory responsibilities, the issue under discussion must be left to local judgment. At the end of the day the local electorate is the final arbiter.

What I have said is particularly apposite to the rate fund contributions to the housing revenue account, which the Secretary of State seeks to limit. In that case, he is directly intervening in the management of a local authority's affairs. He seeks directly to impose rent increases on all local authority tenants, irrespective of the judgment of elected councillors and of local conditions. Provided a local authority is not in breach of its statutory obligations, the local decision must prevail.

The Secretary of State must adopt that criterion. He has, and always has had, reserve powers under statute to bring to judgment a local authority that is behaving unreasonably and disregarding its legal responsibilities. The idea of a public inquiry is obnoxious to all, but if it is done purely on the basis of judging a local decision and in an objective manner, at least it allows the local authority publicly to explain itself. What is especially obnoxious is that the Secretary of State is compelling authorities to arrive at a certain figure. If it is not reached, he argues, there is a prima facie case that the authority is in breach of statute. That is not necessarily so.

Open public scrutiny of the housing revenue accounts of local authorities shows clearly that the Secretary of State has not taken proper regard to the financial problems to be faced. Unlike my hon. Friend the Member for Glasgow, Provan (Mr. Brown), I shall quote some extensive figures. I wish to quote the figures for Aberdeen, not because Aberdeen is in a unique position, but because its accounts are fairly typical. The 1984-85 expenditure figures in the housing revenue account show loan charges which are split into two different elements: instalments of debt at just more than £3 million, and interest payments at more than £15 million. That gives a total of more than £18 million. Interest payments are virtually five times the amount of debt repayments, and amount to more than 50 per cent. of the total expenditure on housing in Aberdeen. Total loan charges amount to almost 60 per cent. of total expenditure. The next highest sum on the expenditure side is the cost of repairs and maintenance, not management and maintenance, which is just more than £6,600,000. That is about one third of total expenditure. The figure for the following year is roughly similar.

Instalment payments must increase by £500,000, interest charge payments must increase by about £1·25 million, and payments for repairs and maintenance are estimated to increase by about £1·33 million. The increase in costs next year as compared with this year will be just over £3 million, of which £1·75 million is completely outwith the control of the local authority. The sum that is within the authority's control for repairs and maintenance represents what a prudent authority believes to be necessary to maintain the standards of an ever-ageing housing stock. If there were no repairs and maintenance in 1984-85, debt repayment would be 14 per cent. of the

housing budget and interest charges would be 68 per cent. Therefore, 82 per cent. of housing costs would go simply to service debts incurred from building houses in years gone by. For 1985-86, the figure is estimated to be 83 per cent.

Even if there were no repairs and maintenance payments next year, the authority cannot escape from the fact that it must meet 80 per cent. of its housing revenue costs. There can be no default on those payments. The idea that the local authority has been profligate in respect of its housing budget is nonsense.

The Secretary of State's response to the financial problem is twofold: first, to reduce the housing support grant; and, secondly, to limit the rate fund contributions. He has set a limit for Aberdeen of £6,015,000, which is almost £3 million less than the previous year and far short of the budget forecast for next year. If that shortfall is met only by rent increases, rents in Aberdeen will have to increase by £3·86 a week. If not, there will be a savage cut in repairs and maintenance, which I know from my experience and from the experience of my constituents are extremely necessary in large parts of Aberdeen.

The Secretary of State seems to believe that tenants in Aberdeen can afford such increases, but he is completely wrong. He is one of those who believe that Aberdeen is an oil El Dorado. Let me disabuse him of that idea. Already 44 per cent. of tenants in Aberdeen receive housing benefits, and the figure is rising. Unemployment in the city is far from rosy, despite the favourable comparisons with other parts of Scotland. I concede immediately that many other areas in Scotland have far more serious unemployment. However, in the centre of the city — in the constituency of the hon. Member for Aberdeen, South (Mr. Malone)—in the Ferryhill area, which I know extremely well as I represented it on the council at one time——

Dr. Godman: A fine councillor, too.

Mr. Hughes: As they say in the courts, I am obliged to my hon. Friend. Unemployment in the Ferryhill area is 15·9 per cent. It is the worst pocket of unemployment in the Grampian region. Three other areas in the city are among Grampian region's six top blackspots for unemployment. In a decade of so-called oil boom in Aberdeen, 35 per cent. of manufacturing jobs have been lost. With such a background, we would expect the Secretary of State to have a sympathetic approach and to make available more finance for housing. The reverse has been the case, because he is making a much smaller financial contribution.

The most recent figures—I shall not return to those balmy days when a Labour Government gave full support to the local authorities—show that in 1982-83, housing support grant in Aberdeen was 27 per cent. of the income of the housing revenue account. In 1983-84, that figure was reduced to 13 per cent. In 1984-85, there has been a further reduction to 6 per cent., and in 1985-86, the figure will be 2 per cent. My understanding is that the following year there will be no housing support grant.

Hon. Members can say that it is all very well to quote clever statistics and percentages, but that we should say what they mean in money terms. In money terms, this means a reduction from the 1982-83 housing support grant of £8,670,000 to £802,000 in 1985-86. One does not have to be a mathematician to see that this is a fantastic cut in income to local authorities.

The picture that I have set out for Aberdeen is indicative of Scotland as a whole. Since 1979-80, housing support grant has reduced from £213 million to £48·2 million in 1985-86. Some 33 housing authorities will get no housing support grant. The interesting thing about that is that these non-qualifying authorities account for 63·4 per cent. of the Scottish housing stock. Where is the great support for local authority housing about which the Secretary of State boasted?

In 1979-80, the housing support grant represented 39 per cent. of the income of the housing revenue accounts. By 1985-86, that figure will be down to 7 per cent. By contrast, rents as a proportion have increased from 47 per cent. to 74 per cent., and the proportion is likely to go even higher the year after that. The Secretary of State is making a despicable attack on those least able to afford it. All this is designed for one purpose alone—to provide money for the Treasury. Council tenants in Scotland will not be the beneficiaries of the tax-cutting bonanza.

I remind the House that I was a member of the city of Aberdeen council from 1962 to 1971. I make no bones about saying that those were happy days. We had furious arguments, among ourselves in the Labour group, often, in the spirit of vigorous party political debate, in the council chamber, and fairly frequently with the Scottish Office, even with a Labour Secretary of State. There is one major difference between those recent years and the present. The issues that we were discussing and debating then were on the pace of developments—how best we could go, how best to deal with the problems facing the people of the city of Aberdeen. I give credit to our Tory opponents in the council chamber in those days, because they also wished to see the city thriving and prosperous. It was common ground that we should provide the best education, health, welfare, housing and leisure facilities. We did all those things, although we should have liked to do more.

In these days, the pressures and problems are worse. Discussions are about how councillors can meet the Government's guidelines laid down by edict, about how the councils can meet the statutory housing obligations, given the dictatorial cash limits of the Secretary of State for Scotland. I do not know how they can maintain their sanity when trying to deal with this problem.

In many respects, the growth of the standard of living of our people, the improvement of the environment, the eradication of disease, and the widening of educational prospects were the result of the full flowering of local government and democracy. The Secretary of State is destroying local government, and if he does not understand what this is doing to our people, he is even more ignorant than I thought he was.

9.13 pm

Mr. Gerald Malone (Aberdeen, South): I am pleased to follow the hon. Member for Aberdeen, North (Mr. Hughes). I shall deal with one or two of his points later. I am grateful for his basic honesty in pointing out that hon. Members on both sides of the House have different objectives in public housing. There is no secret about that. I share the view of many of my colleagues that the provision of public housing in Scotland represents too high a percentage of the total housing stock.

I welcome the move to greater private ownership. In a sense, it is a difference in philosophy in this respect that divides the House. There can be no doubt that the direction

[Mr. Gerald Malone]

of the Government's policy is a matter of balance. We have got out of balance in the way in which we finance our public housing. We have reached the stage when the burden on the taxpayer in general is too great. The contribution of those who benefit from public housing has become proportionately too small. This imbalance has developed over a substantial number of years, and, in my view, the Government are correctly taking steps to correct it.

My hon. Friend the Parliamentary Under-Secretary of State for Scotland says that in order to meet overall the targets for Scotland which he has set in these orders council house rents will, on average, have to go up by £1. The alternative way of dealing with the matter that was proposed by the hon. Member for Aberdeen, North would mean that in Aberdeen rents would have to be increased by more than £3. One is still referring, in the specific case of Aberdeen, even if it chooses simply to increase rents to meet these targets, to a rent that is lower than that which is to be found in many other parts of the United Kingdom. It is worth putting some of the figures on record.

In Scotland, council house rents take approximately 10 per cent. of a family's income, whereas in the remainder of the United Kingdom the average figure taken by council house rents is 16 per cent. I do not believe that we should attempt to reach parity, but when the Opposition speak in such emotional and excited terms I believe that it is worth trying to gain a sense of proportion and to bear these figures in mind.

Mr. Wallace: To apply an objective test to the argument of the hon. Member, can he tell us what will be the public subsidy to council house tenants after the orders are passed compared with the subsidy that is given in the form of tax relief on mortgages to the owner-occupier?

Mr. Malone: The answer is that it varies from authority to authority. It is important to bear that in mind. It is also important to bear in mind that when we encourage the sale of the stock of council houses there are many council house tenants who put themselves in the position of owner-occupiers. When one espouses the policy of encouraging private ownership, as do this Government, it is important to give some form of encouragement. I remind the hon. Member for Orkney and Shetland (Mr. Wallace) that, even within the context of those remarks, the assistance that is given by tax incentives of that kind has been reduced dramatically in real terms during the term of office of this Government. It has been brought into balance in line with the view of the Chancellor of the Exchequer that we should have a fairly neutral tax system. It cannot be done at once, but it is moving in that direction.

Mr. Craigen *rose*——

Mr. Malone: Perhaps I may be allowed to continue.

I should like to put one or two points about this matter to my hon. Friend the Minister in the hope that he will deal with them in his reply. I want to concentrate upon one or two matters. One relates to eligible expenditure, in particular interest charges. When assumptions are made in his calculations about the interest charges that should be met by local authorities, the Chancellor of the Exchequer fixes a rate that takes into account the potential of capital receipts from volume sales of council houses. I understand that he does this for the straightforward reason that it is within the power of local authorities to reduce their borrowing by adopting an enthusiastic policy of selling council houses. Is it, in my hon. Friend's view, fair that many local authorities enthusiastically adopt this policy and reduce their debt while many other local authorities do not do so? When these overall interest assumptions are made, are these matters taken into account?

Mr. Robert Hughes *rose*——

Mr. Malone: I shall give way to the hon. Member when I have finished making this point.

The hon. Gentleman mentioned the overall borrowing figure of Aberdeen district council and the substantial amount of money that has to go to service that. Aberdeen district council has chosen to sell 4·7 per cent. of its housing stock, well below the percentage of a large number of local authorities in Scotland. If it wants to reduce that item of relevant expenditure — interest charges — it has the solution in its hands. It could continue to sell council houses more enthusiastically than it does and so reduce that item of expenditure.

Mr. Hughes: The hon. Gentleman must address himself to the contradiction in what he and his hon. Friend the Under-Secretary of State are saying. His hon. Friend is saying that if the council sells council houses, money will be available to spend on repairs and maintenance and the eradication of damp. If it uses the money to try to reduce some of its capital indebtedness, it obviously cannot do what his hon. Friend suggests. If he imagines that the sale of council houses can extinguish the debt which he has mentioned, he must be aware that the only way to do that is to sell the lot.

Mr. Malone: There is nothing wrong with increasing substantially the number of council houses to be sold in Aberdeen. The hon. Gentleman has not managed to contradict the fact that it would give Aberdeen district council the chance to reduce what is an enormous on-cost from the eligible expenditure which it undertakes. There is no sense in which that can be reasonably denied.

There is another area in which many councils can reduce their expenditure. When we talk about management and maintenance and repair and maintenance—I concede that Aberdeen district council is extremely careful to differentiate between those two elements—a lot can be said for many Scottish local authorities reducing repair costs.

Before the hon. Member for Aberdeen, North tries to intervene again, let me put one point on the record. By and large, Aberdeen district council operates a relatively efficient repair and maintenance service. It is relatively cost-effective compared with many local authorities in Scotland. But I trust that my hon. Friend the Under-Secretary of State will be taking whatever steps he can to encourage local authorities to reduce even further the costs of repair and maintenance which vary so much throughout local authorities in Scotland and which in some areas are completely unreasonable and inefficient.

It is important to point out to local authorities, when they justifiably look at such matters with a great deal of anxiety, that part of the solution to the problems that they face in making their budget balance lies well within their own hands.

Some mention has been made during the debate of increases in capital expenditure on housing. I endorse what

was said by my hon. Friend the Member for Dumfries (Sir H. Monro) in welcoming that. It is important that we devote as much as we possibly can in straitened circumstances to the improvement of the housing stock. However, it is also important that local authorities should take up many of the new initiatives that are available. It is important that if the private sector offers solutions to such problems they should be welcomed with open arms rather than rejected on a point of political dogma.

I hope that many Scottish local authorities will look to the scheme that is presently being operated by the South of Scotland Electricity Board, which is offering an integrated service for multi-storey buildings whereby they can be rendered free from damp. It also encourages the cost of the provision of electricity to be added to the rent. There is a system that can usefully go towards the eradication of what I concede, as is clear from the Select Committee report, is a problem of peculiar difficulty in Scotland.

We have already heard many words from the Opposition tonight about our policy being offensive. What I find to an extent offensive is some attempt to justify the recreation of a policy whereby public expenditure goes up on council and local authority housing when it is that policy of high expenditure with lack of proper control that has resulted in the housing stock with which we are having extreme difficulty today. It cannot be claimed that high public expenditure has been a success, otherwise we would not be faced with great difficulties with multi-storey buildings, dampness and all the rest of it which arose during a period of extremely high public expenditure. I do not pretend to accept the suggestion of the Opposition that what we are saying—that there should be an ordered balance away from central funding of local authority housing towards tenant funding—is offensive or wrong.

This is nothing more than a way of attempting to move marginally the balance of expenditure. I believe that it underlines the essential difference between the two sides of the House, but it does not undermine what I see genuinely as a common concern that we have a good housing stock and that a large number of houses paid for by public funds are not left derelict and empty because people do not want to occupy them. The fundamental difference between us is that we see the provision coming from a different source. I believe that it can best be provided by choice in the private sector and the increase in influence that the tenant will have. That, unfortunately, does not seem to be the motive of the Opposition. Their motive is to increase again the stranglehold that they and their followers had over the public housing stock. That is what they seek to achieve in opposing the order.

I have great pleasure in supporting the order. My hon. Friend has undertaken a difficult balancing task and he has done it exceptionally well.

9.26 pm

Mr. Gordon Wilson (Dundee, East): I follow the hon. Member for Aberdeen, South (Mr. Malone) with considerable regret because I do not think he has done justice to his constituents with regard to housing. Of the two views that have emanated from Aberdeen in the debate I prefer that of the hon. Member for Aberdeen, North (Mr. Hughes). I have disagreed with the hon. Member for Aberdeen, North on many occasions, particularly on constitutional matters, but this evening our views coincide. He referred to the Secretary of State as a gauleiter. My German is limited, but I think that is the equivalent of a regional administrator. That is exactly the role that the Secretary of State occupies.

Earlier today when I met the delegations that had come down it was difficult to try to explain to them that, although I appreciated their position, the debate did not offer much to them, because the decisions that we are discussing were taken several years ago under the public expenditure White Paper. Those decisions were taken not by the Secretary of State for Scotland, whether he be a gauleiter, a colonial administrator or even a Cabinet Minister, but by the Cabinet as a whole under the aegis of the Treasury and the Prime Minister. Effectively, the decisions taken several years ago in regard to public expenditure on housing that we are implementing under the orders will be enforced upon the people of Scotland by an English majority, which will come pouring in to vote when the Division bells ring. That is what we must realise.

Furthermore, when we look at the White Paper that was published only yesterday we find that there is even greater room for worry about what might happen in the public housing sector in years to come. We find that the decline in public expenditure on the housing account is of the order of 10 to 15 per cent. spread over the three years to 1988. I suspect that in the next two or three years we shall have a considerable number of these debates when we see the amount of money being reduced steadily and when in our constituencies week by week or fortnight by fortnight we see the problems mounting as people demand repairs and cannot get them. That is where the Scottish Office is out of touch with what is happening. It was significant that the Under-Secretary of State referred to the English situation. The Scottish Office's policy seemed to be to bring Scotland into line with England, regardless of the methods used and the hardship caused. Indeed, great hardship will be occasioned.

I confess that the issues involved in the rate support grant and the housing support grant are so complex that I do not fully understand them. The Convention of Scottish Local Authorities has stated:

> "The factors used to determine each Authority's eligibility or otherwise for HSG continue to ignore the actual position of housing authorities."

In other words, the Secretary of State's decision can be entirely arbitrary and it is difficult for those in the know to work out the reasons for it. However, it has been suggested to me that political motivation is involved. That possibility should not be ignored. After all, if the system cannot be explained clearly to people, the motivations of those who operate it, particularly when they provide insufficient funds, will be questioned. If they are providing more expenditure than people had expected, there is not the same criticism.

The whole system involved in local government reminds me of the comment that was made about the Schleswig-Holstein affair, to the effect that it was so complex that those who understood it were either dead, in a mental hospital — or perhaps in this case, in the Scottish Office. The system is certainly beyond my understanding. Year after year district councils have faced reductions in the resources available for the services that affect many of their citizens. In 1980-81, the rents in Scotland provided about 50 per cent. of housing costs. The figure for 1985-86 is likely to be about 80 per cent. if the Government's intentions are carried out.

[Mr. Gordon Wilson]

This year, the rent increases on average will be at least twice the prevailing rate of inflation. But that is only an average, as in many other areas the £1 suggested as the average will be considerably exceeded. I understand that if Dundee follows the lines laid down by the Minister, the rent increase could be double what he suggests as being the average.

It must be borne in mind that if the money has to be found from tenants, rate bills will rise, and so they will be hit twice. The Government do not seem to care that public sector housing in Scotland is in urgent need of repair and modernisation. Yet that is what happens when we do not spend money on property. It is bad business not to spend money on maintenance, because eventually the bills will become bigger. I should have thought that Ministers who sponsor, in particular, the private sector would be aware of the facts of domestic life.

We know that about 350,000 of our people still live in damp houses. However, captial expenditure on housing has been reduced by about 40 per cent. in real terms since 1980. In 1983, the number of housing starts and completions in the public sector was the lowest for decades. It is all very well for the Minister to say that that work can be taken up by the private sector. That may often be true with regard to general family housing, although there are shortages in certain types of family housing. But the private sector will not meet the demand, for example, for sheltered housing. Moreover, the increased expectations of elderly tenants cannot be met. A report was recently handed to me from the Scottish Council for Single Homeless, suggesting that the situation in Dundee is critical with regard to the provision of houses for single persons.

I shall show how the orders will affect Dundee. In the coming year the city will receive no housing support grant. Indeed, it has not received any for the past two years. To cushion the effects, the rate fund contribution to housing revenue in the city, which was £6·9 million in 1983-84, will now, as a result of the Secretary of State's powers, be reduced to £4·9 million. That will have a traumatic effect on the administration of the housing stock in the city. It will result in rents going up steeply on the one hand and in a drop in service on the other. If one takes the rate of modernisation, it would be a long period before the work could be done.

The housing authority has brought to my attention the problems that it has. Deterioration of the fabric of the housing stock is widespread, as are harling defects to flat roofs. Structural defects are apparent in non-traditional house types, types which the Scottish Office in previous generations wished upon local authorities at the time. Window replacement is needed on a large scale. I receive many complaints about this from my constituents. We talk about cold climate allowances and suchlike, but it would help if we had windows that kept out the draughts and mitigated the heat loss. Some 16,000 tenants in Dundee suffer to a lesser or greater degree from dampness. Over 3,000 houses have not been modernised since they were built 50 years ago. Houses built after the war are in need of modernisation.

Rewiring to a modern standard is required in 17,000 houses. One can make all sorts of adjustments in relation to repairs from time to time by doing spot repairs and deferring the problem to later years when one hopes that more cash will be available. I wish to impress upon the Government that deficient wiring is a safety risk and should have some priority. These are the problems that are affecting individual tenants in the city of Dundee. From the other delegations that I have met, I understand that their position is the same if not worse. A general problem is building up.

I have been impressed that the Government during the last year have managed to get together a coalition of people of all parties in the district councils and the regional councils against their policies. Given the nature of the party loyalties and the differences of opinion that exist —the vigorous debate to which the hon. Member for Aberdeen, North referred — it is a remarkable achievement on the part of the Secretary of State and his Parliamentary Under-Secretary.

I have one suggestion for the attention of the Minister to which I hope he will give consideration. It has been put to me that under the present system, whereby allowances are announced at the last moment, housing authorities are not permitted to conduct a rolling programme where they are assured of a certain fairly high proportion of the money they require. Cost savings would be made if housing authorities were able to plan in advance, do things on longer contract or undertake larger jobs than they are at present able to carry out. I suggest that some kind of rolling three-year programme might be worthwhile considering from the point of view of the accountants in the Minister's Department if not those who work in the Treasury.

We are dealing with a fundamental political problem. The Government are not administering Scottish housing from a Scottish viewpoint; they do not need to take account of public opinion in Scotland; they do not need the majority support of Scottish Members of Parliament. From these constitutional facts of numbers stems our whole problem, in my view. The Minister said that he was giving as much as the nation could afford. I for one do not accept that distinction. Nor do I accept that the £12 billion that is going into the Treasury this year from our oil resources should not be deployed towards Scotland to meet our problems.

Mr. Albert McQuarrie (Banff and Buchan): United Kingdom oil.

Mr. Wilson: If the hon. Gentleman disagrees, it draws a correct distinction between his attitude and mine and my willingness to see that Scottish money is put to the betterment of the Scottish people.

9.38 pm

Mr. Gavin Strang (Edinburgh, East): Listening to the Under-Secretary of State when he opened the debate, one was aware of a huge chasm between what he was saying and the views of the vast majority of the elected councils in Scotland. What he said bore no relation to the resentment that exists in these councils. This resentment exists in Labour-controlled councils but to a significant extent also in councils where the Labour party is not in control. One wonders whether the Government appreciate the depth of resentment at their policies. I understand that the Secretary of State has refused to meet COSLA to discuss its important grievances.

We are witnessing a systematic attack on local authority housing. The Government are pursuing that attack

viciously and decisively year after year. The figures in the Government's public expenditure plans for the next financial year show what has been happening in recent years. The Government are making massive cuts in housing expenditure in Scotland. In 1985-86, the Secretary of State intends to spend £598 million on housing in Scotland, compared with £734 million in 1979-80—a cut of 49 per cent. in real terms. In other words, the Government have halved public expenditure on housing in Scotland. No wonder so much damage is being done; no wonder the housing stock has deteriorated so much; no wonder there is massive unemployment among workers in the construction industry.

The Government are obsessed with encouraging the sale of council houses. It is reasonable to suggest that they are deliberately pushing up council house rents to try to force as many tenants as possible to buy their houses.

Opposition to the Government's policies comes not only from Labour-controlled councils. There is also opposition from Conservative councils which deeply resent the fact that they are ceasing to be autonomous councils and are becoming mere agents of the Government. The Government fix their expenditure, they have taken powers to fix their rates and they are even taking powers to fix the amount that councils can contribute to the housing revenue account from the rates. That means, in practice, that the Government are even fixing council house rents.

The Government are pre-determining all those decisions and are removing from elected councillors, whether Conservative, Labour or any other party, the opportunity to make a judgment on the extent to which housing should be supported from the rates or from rents.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): Does the hon. Gentleman believe that everything spent in local government should be rate borne? Is that his alternative?

Mr. Strang: No. I think that the hon. Lady understands what I am saying. If she is in any doubt, she should speak to some of the councillors, including Conservative councillors, who have come to Westminster to speak to us.

Edinburgh is experiencing the effects of a massive neglect of our housing stock. Anyone who knows anything about housing in the city—and the Under-Secretary must surely know something about that—knows of the enormous deterioration that has taken place because of the below average spending on repairs, maintenance and improvements by the city council when it was under Conservative control.

When the Select Committee on Scottish Affairs visited Edinburgh, hon. Members from west central Scotland were appalled and amazed at the situation that the Conservative council had allowed to develop on some of the city's housing estates. Only recently a tenant succeeded in taking the council to court and proving it guilty on the ground of not providing a house which was wind and water tight. The elected council had failed under landlord legislation to provide the basic necessities in the council house concerned and was not prepared to provide alternative housing. I could continue at length to bring out the enormity of the deterioration in Edinburgh's housing.

It is from that base that the newly elected Labour council in Edinburgh has taken control. I have not the slightest doubt that one of the reasons why the Labour party took control of Edinburgh for the first time—it was a remarkable and historic result — was the resentment among council house tenants and others throughout the city at the neglect and callous indifferences of successive Conservative administrations to public services, especially council housing.

To its credit, the new Labour Edinburgh city council has put forward a bold programme to tackle the years of housing neglect. In the time that is left to me I shall concentrate on the expenditure which it hopes to make through the housing revenue account. Its programme will be implemented over a period of years. It has been submitted to the Scottish Office and no doubt it is considering it. The expenditure which is budgeted in the housing revenue account for 1985-86 is £47·5 million. Where is the money to come from? A part of it will come from the rate fund contribution.

As my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) has said, the Government intend to limit Edinburgh's rate fund contribution for the housing revenue account to £2·8 million, which is roughly £49 per council house. That must be compared with £158 for Aberdeen, £159 for Glasgow and £125 for Dundee, an average of £105. How can the Government justify limiting Edinburgh's rate fund contribution to such a derisory figure?

The Minister has told us in the past and again this evening that he wants to see council house rents forced up to pay for the maintenance of council housing. Council house rents in Edinburgh are massively higher than rents in other Scottish cities. They are about £5 a week higher than rents in Aberdeen and Glasgow. They average about £14 compared with £10 in Glasgow and about £9 in Aberdeen and Dundee. There is no case for increasing rents any further. It would be unfair and unreasonable to expect council house tenants to pay higher rents to meet the programme which Edinburgh district council has put forward.

Edinburgh is in an impossible position. It has inherited huge neglect and it has submitted a programme to tackle it and the Government are specifically and explicitly denying the council the powers and opportunity to implement it. I hope that the Minister will reconsider Edinburgh's position. I hope that he will judge fairly the monstrous unfairness that faces Edinburgh. The council has a historical legacy of deterioration in its housing stock and yet it is faced with limitations and the imposition of a straitjacket.

I hope that the Government will think again. The Labour-controlled Edinburgh district council wants to tackle the housing problems and it has a mandate to do so. I hope that it will be allowed to go ahead and resolve the problems. Surely the sensible and statesmanlike approach would be for the Government to say that the Scottish Office and the city council should consider the council's proposed housing budget and programme and calculate how it can be implemented to improve the quality of Edinburgh's housing.

9.49 pm

Lord James Douglas-Hamilton (Edinburgh, West): I listened with great interest to the hon. Member for Edinburgh, East (Mr. Strang) who criticised the sale of council houses. By last year about 3,500 council houses had been sold in Edinburgh, about 1,000 of them in my constituency. That is an example of the demand. The hon.

[Lord James Douglas-Hamilton]

Member for Edinburgh, East and I were present when the Select Committee on Scottish Affairs went to Edinburgh to examine the problems of dampness in council houses in west Pilton and Craigmillar, in our constituencies.

I should like to address myself to the problem of Orlit housing. This problem occurs in not only my constituency but many other parts of Scotland. Types of houses which are generally accepted to be defective in Scotland include Lindsay — in the Ayrshire council area — Blackburn Orlit, Boot, Dorran, Myton-Clyde, Orlit, Tarran, Tarran-Clyde, Tee beam, Unitroy, Whitson-Fairhurst and Winget. Those are examples of the widespread problem.

Now that the Housing Defects Act 1984 is on the statute book, it is obvious that, if funds are to be provided to do up a tenement in which some people own houses while the public owns others, they should be provided for the whole tenement. It is essential to have a co-ordinated and coherent approach combining the public and the private sectors so that the job is done efficiently and promptly.

Mr. Craigen: Does the hon. Gentleman regard the housing defects legislation as defective because it does not extend to public sector tenants?

Lord James Douglas-Hamilton: I followed up this matter vigorously. I can answer the hon. Gentleman by saying that on 20 December 1984 I tabled a question to the Secretary of State for Scotland asking him

"what allocation is being made to local authorities in respect of defective housing including Orlit housing and Blackburn Orlit housing."

The answer stated:

"in reaching decisions on individual authorities' provisional capital allocations on HRA block, the fullest consideration has been given to their statements of need in this regard, as contained in the forward capital programme which authorities have submitted. The increase of £43 million in next year's capital allocations on this block should allow scope for authorities to undertake realistically phased programmes of remedial work according to the priority they attach to this particular aspect of housing need."

The last paragraph was significant. It stated:

"The provisional allocations announced this week are not intended to cover authorities' financial liabilities under the Housing Defects Act 1984. The intention is to consult authorities during the course of 1985-86 with a view to issuing appropriate supplementary allocations."—[*Official Report*, 20 December 1984; Vol. 70, c. 329-30.]

I refer especially to the words "appropriate supplementary allocations". It would be helpful if the Minister said more about that supplementary allocation. It is essential for this matter to be dealt with effectively and to be seen through to a successful conclusion as soon as practicable. We know what will qualify in the private sector — any building designed before 1960 in the categories mentioned which have prefabricated, reinforced concrete load-bearing components. The Act came into effect on 1 December 1984 and remains operational for a 10-year period. The maximum grant will be £14,000. It is essential to ensure that the measures in this connection are undertaken as vigorously in the public sector as in the private sector. I should be grateful to the Minister for making a statement about that.

Housing authority waiting lists can be lessened by the housing associations. I know that my right hon. Friend the Secretary of State has made available £100 million this year. I hope that we will work towards a target of building houses. About 18 housing associations operate in my constituency, and all of them differ from each other. I believe that it would be invidious to mention them all, but I single out one that has made an especially outstanding contribution — the Margaret Blackwood Home for the Disabled. I believe that the hon. Member for Orkney and Shetland (Mr. Wallace) visited that home some time ago. Although the housing associations represent only 1 per cent. of the total housing stock in the public sector, they could make a substantial contribution to that sector. It is also fair to add that many of the housing associations in my constituency put up the houses concerned very recently.

I should be grateful if the Minister would check the figures given by the hon. Member for Edinburgh, East as my information is slightly different. According to the public expenditure White Paper, average rents in 1982-83 were £13·58 in England and Wales and £8·94 in Scotland. I understand that the effect of the orders before us would be an average increase of £1 — about 10 per cent. — bringing rents in Scotland to about £11·50 compared with an average of £14 south of the border. Bearing in mind that the average weekly wage is slightly higher in Scotland than in England, that seems fair and reasonable in the circumstances. I hope, however, that the Government will take strong, decisive action in relation to Orlit houses.

9.56 pm

Mr. Allen Adams (Paisley, North): I hope that the Minister will take a good look at me, because he sees before him an unrepentant dogmatist. I believe in dogma. Someone once said that truths become dogmas when they are disputed, although I appreciate that that may be above the Minister's head. It was dogma, philosophy and the belief in a better world that created a better world by knocking down the slums of the Gorbals, Macalpenn, Castlehead and Paisley. The belief and the vision must be there first. Only then can one carry things through.

The history of Scotland is very different from that of England. In the middle of the 19th century we had substantial immigration from Ireland. Central Scotland also had significant immigration from the highlands as well as minor immigration from Latvia and Lithuania. At the beginning of the 20th century there was also substantial immigration from Italy. Scotland was also one of the first industrialised nations. Like Lancashire, we were heavily involved with the textile industry. This resulted towards the end of the 19th century and the beginning of the 20th century in some of the worst housing in Europe. It was reckoned that in 1910 the slums of Glasgow were second only to those of Vienna. At the beginning of the first world war, as a direct result of extremely bad housing, my area had the highest death rate in Europe from tuberculosis.

That is why in the early 1920s, when the Labour party gained control of the Scottish local authorities, it embarked on a massive council housing programme. In 20 years my authority built 20,000 council houses. Even in the mid-1950s, when I was 13, I remember going along Canal street to Campbell high school and seeing the warrens, the turret staircases, the outside toilets and the single ends that still existed even then. Things had been even worse 20 or 30 years previously. One reads of people in the Gorbals and in the east end of Glasgow living three or four to a room and two to a bed.

Therefore, there was very good reason for council housing in Scotland, and it improved immeasurably the lot

of many people. We should thank the men of vision who went before us who built those houses and made life so much better for so many people.

Unlike England, Scotland has, over the past 30 or 40 years, become used to the principle of council housing. It is probably not well known in England that Scotland has more council houses per head of population than the Soviet Union. To attack council housing, to blame council tenants and to suggest constantly that they are not paying enough rent is to attack not just a minor part of the population but 70 or 75 per cent. of it.

It being Ten o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Motion relating to Financial Assistance to Opposition Parties may be proceeded with, though opposed, until any hour.—*[Mr. Durant.]*

Housing Support Grant (Scotland)

Question again proposed.

Mr. Adams: In Scotland, council housing amounts to some 70 per cent. of the housing stock. Conservative Members represent what is in Scotland only a minority view. It would be interesting to see what the result would be if only Scottish Members were allowed to vote tonight.

Not only on this issue but on many others, the Secretary of State for Scotland is looking more and more like a puppet of an English Government — not a United Kingdom Government—who are trying to impose their will on a people who are unwilling to be imposed upon.

What the Conservatives believe is that the council tenant in Scotland has paid far too little for too much for too long, and that their buddies have paid for it. Conservatives have a pathological hatred of council tenants. They believe that those who have a little more than most people have paid too much to subsidise the council tenant. That is the underlying attitude apparent in speech after speech.

I am an unrepentant dogmatist. If it was up to me, those people would pay a damn sight more. We hear the proprietors of superstores in the centres of Glasgow, Edinburgh, Aberdeen, Dundee and Paisley bleating about the terrible burden of rates. We should look at their profits. Lonrho and the House of Fraser could pay much more in rates. Furthermore, the very people who complain about their rates will turn up at my surgery the next week and complain that they cannot get grannie into an old folks' home. If they paid more in rates, we could build more old people's homes. They are hypocrites to a man.

Council housing has many faults. The Labour party has not done everything correctly. There is too much bureaucracy, and many council tenants are still dictated to as they should not be. When I served on the council, we were told that it was council policy that people must not paint their front doors in certain colours. They were not allowed to fix a light switch to the wall. With the Scottish Special Housing Association, the situation became ludicrous. One had to make an application before one could bang a nail in the wall. Those faults have been admitted.

No one suggests that everything is perfect. None the less, council housing in Scotland achieved the termination of the single end and the outside toilet, the end of rickets, dysentery and — in my own constituency — of tuberculosis. The slums and warrens built by mill owners in my constituency towards the end of the 19th century were still in existence in my lifetime, and they were appalling. They cost many lives and much misery. They were not conducive to nice or comfortable living. The Labour party did away with them and made life much better for many people.

It might be argued that things could have been done differently and that we might have built houses for sale 60 or 70 years ago, but none of us can rewrite history. We made housing better and it is perhaps best left alone, for we are now merely selling off the best of the stock. Houses in the worst areas of my constituency such as Furgusly Park and Shortway, which are known to same Conservative Members, will never be sold. All we are doing is denying the people who live there the right to move to a better house because the better stock has been sold.

My local council has asked me to make some comments about grants. It suggests that most councils in Scotland are trying to channel money into specific areas such as the adaptation of houses for the elderly and the disabled. As the former chairman of Strathclyde social services committee, I know that much money is needed to adapt houses for the disabled and the chronically sick.

Many councils in Scotland are now saying that they would like to preserve their town centres to keep the character of Scottish towns and cities. That involves money to bring the buildings up to standard. Such money has not been made available in sufficient quantities until now. If we do not make more money available, we shall lose much of our heritage. I am worried about that because it is possible to walk through high streets from Elgin to Lands End and see a sameness creeping into our towns and cities. I should like money to be made available to stop that.

Ultimately, it comes down to spending £1 now to save having to spend £2 in 10 years. Not spending money now is a false economy. As Harry Truman said, "Save a buck and sacrifice the people." No doubt the Minister will come out with facts and figures when he winds up, so I should like to mention a few now. When the housing support grant was initiated, it gave Renfrew district council £6·5 million. Renfrew now receives nothing. In anybody's language that is a drop of £6·5 million. Housing support grant in Scotland for 1979-80 was £228 million—it has dropped to £48 million in 1985-86. In plain language, that is a substantial drop. I calculate it to be a decrease of 79 per cent. and yet, over the same period, the retail price index rose by 75 per cent. The housing stock of 38,000 homes in my area will deteriorate rapidly as a result. Indeed, it already has. I ask the Government to reconsider and to make more money available.

10.8 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): It will come as no great surprise to the House, least of all to the hon. Member for Paisley, North (Mr. Adams), if I say that my principal raison d'être for being in politics is to oppose completely the type of dogmatism of which he spoke. Nevertheless, I go along with much of what the hon. Gentleman said.

It is fair to argue that the policy of selling council houses, which I support, leaves local authorities with an increasing residue of houses, especially in urban areas but also in rural areas, that are less likely ever to be disposed

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of, and certainly not without vast sums of public money being spent on them first. It is therefore ridiculous that the Government should cut public investment when there is rising unemployment in Scotland and when the construction industry could put many people back to work quickly.

Despite the contributions from Conservative Members and despite the Minister's attempt at an ebullient speech, we need only look at a report in *The Scotsman* of 12 December for proof that difficulties exist. In a report entitled, "Housing hopes undermined", Mr. Donald MacLennan, director of the Scottish Federation of Housing Associations, is quoted as saying that the associations' initiatives are being "stifled completely" by the Government's present decision. It involves a cut of more than 40 per cent. on the figure which the associations were awarded for 1983-84. Mr. MacLennan is reported as saying:

"The plan we put to the Minister and which is being looked at by the Housing Corporation is now almost stillborn."

Among other things, the plan focuses on the expansion of housing association programmes in Scotland to at least 7,000 units per year. Given the waiting list figures and the social service figures, of which the Under-Secretary of State with responsibility for health will be aware, and the problems which both those sets of figures highlight, it is extremely surprising that the Under-Secretary of State with responsibility for housing should turn a blind eye and deaf ear to the housing associations' genuine arguments. That underlines what many hon. Members see at constituency level, which is, a continuing erosion of housing stock and its quality, and of local government responsibility, local power and democracy.

I find it a little difficult to agree with all the comments made by the Labour party spokesman, especially when he defends to the end the role of COSLA. I do not criticise COSLA, but it seemed from his speech that the Labour party had never attempted to restrain local spending, which more recent political experience shows not to be the case. Some of the criticisms from the Labour Front Bench do not stand up to full, vigorous, political scrutiny.

I wish to address myself to the anomalies in the system of housing support. That is a cautionary expression to use for such support from the Government to Scottish local authorities. Local democracy is highlighted by the confrontation which both Front Benches predicted. It is a shame that both Front Benches are willing to make such a great issue of, and to score points from each other about, that. I subscribe to the type of approach described by the hon. Member for Glasgow, Provan (Mr. Brown). He said that there was more merit in making sensible points based on the merits of a case than in making blanket statements, which do not ease the position.

It is like the teachers' dispute. It may be easy for the Scottish Office to attack the Opposition, and for the Labour party to strike back, but at the end of the day it is children's education that will suffer. The Secretary of State nods in agreement. In exactly the same way, the confrontation which his policies are leading to, and to which the Labour party, although apparently not the Labour party spokesman, tonight is willing to give measured support will do no one any good, least of all the tenants. It would be only sensible for the Government to have the common sense and, indeed, the political humility once in a while to modify and improve their policies so as to reduce the possibility of local authorities breaking the law or entering into activities which the Scottish Office and perhaps the bulk of Scottish opinion would find unacceptable. The fact that the Minister was apparently unwilling to do so tonight will not make it easy for the Secretary of State, if the legal confrontations build up in the months ahead, to lay all the blame at the feet of local authorities. He should remember that the legislation which gives rise to the problem was initiated by him, or at least in his name by St. Andrew's house in Edinburgh.

Once again, those at the lowest end of the income scale, be that state income or remunerative income through employment, must bear the brunt of the Government's policies. The Minister said that housing benefit should not be overlooked, but he must acknowledge, as did the former Minister of Social Security—the hon. Member for Brent, North (Dr. Boyson)—especially in relation to England and Wales but also to Scotland, that the housing benefits system is a complete shambles. During the past eight to 12 months especially, all hon. Members will have heard of elderly constituents—people who have never been in debt and who consider it utterly unacceptable to be in debt—being placed in a position of apparent indebtedness to local authorities because of foul-ups in the housing benefit system. The Minister cannot rely on what has been shown, and admitted by the DHSS, to be a deficient system to try to justify the increases in rent which council house tenants must face.

There are still many anomalies in the system. My hon. Friend the Member for Orkney and Shetland (Mr. Wallace) intervened in the Minister's speech to mention such anomalies in Shetland and Orkney? That example typifies a problem that is common to other parts of Scotland. The local authority in Shetland has had much-needed capital expenditure of £3·4 million consented to this year and about £4 million next year, which will lead to an increase in debt charges of £650,000. That is the equivalent of an increase of £4·80 a week in rents. The Government cannot have taken that into account when they fixed the housing support grant for the area, despite what is claimed in the order, for it appears to drive a horse and cart through the regulations that they are setting up elsewhere.

We have discovered exactly the same problem on Skye. I appreciate that Skye and Lochalsh district council is one of the few in Scotland whose budget this year is increasing in real terms. The problem there is that if the authority levied the assumed rate fund contribution, which was estimated by the Minister, it would be open to penalty under the other provisions of the regulations.

Obvious difficulties remain. Like the hon. Member for Dumfries (Sir H. Monro), I have a specific inquiry about the variation order which I hope that the Minister will answer. It results from representations that I have received from the Skye and Lochalsh district council about some distinct problems that it is facing. It has done comparatively well with capital allocation and with improvement and repair grants, but the increased level of capital allocation—an increase from £1·06 million to £1·5 million—means that the council faces a greater burden in loan charges. The recent increase in interest rates is bound to complicate and add to the problems.

The increase is liable to be about £22,000 a year, and for Skye and Lochalsh district council, that is the equivalent of a rents increase of 50p a week. Will the

Minister say whether the variation order will take account of that, and will specifically make up for that differential? If that is not the case, the maintenance and repair budget will have to be further cut to meet the additional demands that the £22,000 will put on the council. That £22,000 must seem a ridiculously low figure to many hon. Members in comparison with their local authorities, but for Skye and Lochalsh, which already meets the low stock rating of having under 3,000 local authority houses, it is a significant figure. The council is still grappling with the cuts to which it was subjected last year. I should appreciate any answer that the Minister can give on this.

This problem highlights the difficulties of time lag and updating in the system of regulations. As the chief executive of the district council said to me in a recent letter before the debate about loan charges:

"it seems surprising that SDD did not take the trouble to check their own information on Capital Allocations being issued when preparing the grant distribution calculations."

There is an of administrative difficulty, which has been causing my local authority, and I suspect, others, some difficulties.

The Minister's package is not satisfactory. He must know, from his own constituency as much from the pleas that he hears from every part of Scotland, that this is not a realistic policy to pursue at a time of rising unemployment, particularly in the construction industry, and of increasing waiting lists for council houses. The right to buy may be a great system to argue for, and may be a laudable system for which to aim, but it cannot be pursued at the expense of the majority who will continue to be dependent on local authority housing.

It is insufficient and inadequate to say that the better end of housing stock should be sold off, as it will be snapped up into the private sector first. That will leave diminished and depleted resources with which the council has to grapple with increasing problems as a result of Government policy leading to higher unemployment and greater levels of deprivation. Increasing problems confront local authorities, particularly in housing programmes. I have asked the Minister some specific constituency questions. My right hon. and hon. Friends and I do not support these orders, and the Government will not have our vote for these thoroughly discriminatory measures.

Mr. Speaker: Order. I understand that the Opposition Front Bench speaker wishes to speak at 11 o'clock. I hope that it will be possible to call all of those hon. Members who wish to speak in the time that is available before 11 o'clock.

10.25 pm

Mrs. Anna McCurley (Renfrew, West and Inverclyde): As a former history teacher I was absolutely fascinated by the history lesson that was given to the House this evening by the hon. Member for Paisley, North (Mr. Adams). If we had to follow his dogma, it would mean that we should have to vote either for the Greens party or the Blues party from ancient Rome, because we should be grateful to the Romans for giving us central heating. It is that kind of belief that pervades the attitude of the Labour party towards council house tenants in Scotland: that they should be eternally grateful to the Labour party for what it has done for them.

What amazes me in any debate on Scottish housing is that a certain amount of amnesia overtakes the Opposition. If the Opposition had reliable memories, they would be more inclined to congratulate the Government upon their housing policy rather than to castigate them. We should compare the position in Scotland before the Conservative party introduced enhanced housing improvement grants with the dramatic change for the better by the improvement of tens of thousands of properties since then. The problem is that success does not always bring its own reward. The Opposition, whose record on housing is still an ugly legacy in Scotland, is urging the Government to do more of what the Opposition never did or, indeed, could do.

Mr. Lamble: The Minister said that at the beginning of our debate.

Mrs. McCurley: I shall deal with the point made by the hon. Member if he cares in a minute or two to make an intervention from a standing position.

Mr. Lamble: I have been listening to the debate since it began. The hon. Member has just come into the House to speak.

Mrs. McCurley: I have been listening to the debate for a substantial amount of time. I feel that had I not removed myself for but a few minutes in order to partake of a meal — *[Laughter]* — I should not be in such fine and aggressive fettle as I am in now. Part of the reason for the Opposition's failure lies in their rigid determination to keep council house rents at an uneconomic level and, through rates and taxes, to make others pay for what in the end amounts to a guaranteed share of the vote at any election.

Many council tenants are in the lower income bracket. Because we fully understand this, the Government, through housing benefits, are continuing to provide reasonable accommodation at a price those tenants can afford. We have discussed many times how few people, particularly in parts of the west of Scotland, contribute at all to the cost of living in local authority accommodation.

Mr. Kennedy *rose*——

Mrs. McCurley: I shall give way in a moment. Equally, there are those living on the financial margins in the private sector, either in private rented accommodation or in owner-occupation, who find the burden of high rents, taxation and rates well-nigh intolerable and who are supporting those in local authority households with higher incomes or multiple incomes that are much higher than those they command. They also have fewer outgoings and enjoy the security that comes from knowing that repairs are not necessarily going to cost them anything.

At a time when we are faced with the choice either of soaring inflation, as in the 1970s, under a Labour Government or of the prudent management of finance in the public sector to keep inflation down to the minimum, it is only right that the Government should exercise a restraining influence upon local authorities who overspend. If there is likely to be a rent increase that is more dramatic than the expected average, the reason is generally because rents were calculated to be too low in the first place.

In all the increases that are proposed—and they are minimal—Scottish tenants will still have a better deal than their English and Welsh counterparts. Average rents in England and Wales have consistently been higher than those in Scotland; as well, the average weekly wage in Scotland is slightly higher than the figure for England and Wales. Thus, for the current year the £1 increase will bring average rents in Scotland to about £11·50 compared with an average of £14 south of the border. In percentage terms this means that rents will represent roughly 7 per cent. of average earnings in Scotland compared with 10 per cent. in England and Wales.

However, as my right hon. and hon. Friends know, it is never my policy when I speak in the House only to give bouquets but occasionally to throw a few brickbats. I wish to take up two points with the Minister. As he is well aware, one of the major problems is the maintenance of local authority properties. Although I have a great desire to see additional sales of local authority housing and still think that some Scottish local authorities are obstructive and have been dragging their heels on assisting people to buy their own houses, I do not wish to penalise householders who choose to remain in the public sector. I do not think that anything in the Government's housing policy would support that, but I do not want local authority housing stock to be regarded as second rate or the tenants to be regarded as second rate citizens.

While I applaud the Government's specific increase of £43 million for the current year for construction, modernisation and repair—and I hope that construction will be not just in the regular housing sector but in the specialist sector—the additional £16 million set aside specifically to deal with dampness is disappointing. This may be the time to tackle dampness on a greater scale, especially when there is a recession in the trades that would be involved. The figure of £500 million that is quoted frequently is not realistic and cannot be justified as a total for curing the problem of dampness in council houses in Scotland.

Simple and cheap remedies which have been mentioned by the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) in the Scottish Grand Committee might be used by a local authority which, with flair and imagination, could identify cases where more radical treatment was necessary. A total of £16 million represents less than £750,000 to authorities such as mine in Inverclyde where a massive effort is required to deal with the problems of dampness. Proper maintenance of the housing stock is as much in the Government's interest as it is in the interest of local authorities.

Can the Minister tell us why for the second year running Inverclyde district has been hit so badly in relation to comparable authorities such as Dumbarton, Stirling and

Dundee? We have been told that the average rent increase in Scotland will be £1·22 or 12 per cent. on 1984-85. According to calculations Inverclyde tenants will be asked to pay an increase approximating to £3·04p or 33 per cent. This seems to be a dramatic increase in comparison with comparable local authorities and it requires some public explanation. I have no doubt, that the Minister will give a proper justification for the increase. But whether it satisfies Inverclyde is another matter.

10.35 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): It is always interesting to speak after the hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley), when she has made one of her speeches about Inverclyde. I am sure that she will agree that there are many more housing problems in Greenock and Port Glasgow than in Kilmacolm and Gourock. However, I agree with her that we need a proper explanation from the Minister about what she termed a dramatic increase in council house rents in Inverclyde.

The Minister's speech was smothered with figures, but he did not detail the extent of housing need in Scotland. I should like him to give some of those facts tonight. For example, how many people are on the waiting lists in Scotland? How many elderly people are waiting for sheltered housing in Scotland? How many people are living in overcrowded conditions, or in damp houses? I derive no satisfaction from the debate, because it will not improve by one jot the lot of council house tenants in my constituency. Many of them live in difficult and miserable conditions. Many of them also live in badly designed houses that are submerged in large and ugly schemes. Many of them too have had to suffer for decades because their houses were designed by architects who lacked both imagination and ingenuity, and apparently sympathy and compassion as well. Those architects regard the local authorities rather than the council house tenants as their clients.

Today thousands of citizens live in houses that are barely adequate. Often others live in houses that are grossly inadequate and hence make life a misery.

Mr. Michael Forsyth: Will the hon. Gentleman give way?

Dr. Godman: No. It is much too serious an occasion for that. However, I would have given way if the hon. Gentleman had been in the Chamber for as long as I have.

Nowhere is this dismal state of affairs more evident than in Inverclyde. I have to add that I am primarily talking about council houses in Greenock and Port Glasgow, rather than those in Gourock and Kilmacolm. In Inverclyde 6,000 houses are infected with dampness. That figure shows a slight reduction over the past few years, due to the remedial work undertaken by the Inverclyde district council. But the Government and that council must do much more.

The scale of the problem and its attendant misery cannot be radically reduced in the near future without more help from the Scottish Office. It is amidst those dismal circumstances that council house tenants in Inverclyde have been advised that they may well have to pay a good deal more in rent. It seems that Inverclyde is being singled out for severe treatment by the Secretary of State. Why are we witnessing such apparent vindictive treatment? I have been told by his hon. Friends that vindictiveness is not part of his personality. Is he angry with the Inverclyde administration? I can assure him that I believe that that august and austere publication *Militant* would affix the label "moderate" to the present Labour administration of Inverclyde.

Inverclyde district council has been instructed to reduce its present deficit per house from £220·20 to £125. Other district councils, while suffering, are not suffering to that extent. Inverclyde council tenants face a much higher rent increase than tenants elsewhere. In addition, the Inverclyde district council faces the withdrawal of housing support grant amounting to £51·36, giving a total increase of £148, that is, and increase of approximately £3 per week. Therefore, the circumstances in Inverclyde will be much worse than elsewhere in that tenants will face rent increases of about £3 per week more than the tenants of other authorities.

I believe that the Secretary of State received a letter earlier this week from the chief executive of the district council, Mr. Ian Wilson. In an earlier letter to the Secretary of State, the chief executive pointed out—and I am sure that he will not mind my quoting from the letter:

"Now that the details of the Housing Support Grant for 1985/86 are known, it is confirmed that our tenants face an average increase in excess of £3 per week. The Council views those level of increase as quite unreasonable and in view of the fact that it does not in any way affect central financing of our expenditure asks the Secretary of State most urgently to reconsider this matter."

I ask the Secretary of State on behalf of the Inverclyde council house tenants to exercise his discretion so that the rent increase that those tenants will have to pay will not be nearly as high as now envisaged. I believe that he has discretion vis-á-vis the rate fund contribution limitation figure. I ask him to do this in the interests of the tenants of Inverclyde district council.

10.47 pm

Mr. Willie W. Hamilton (Fife, Central): At this late hour there is not much point in going into detailed arguments even on a constituency basis, so I will satisfy myself with one or two generalities.

The first generality is the undeniable fact that in the last five years public expenditure on housing, which is the most important social service that we have, has been slashed by the Government more than any other single service.

The second generality is that any Scottish Member of Parliament who met the representatives of the local housing authorities yesterday of all political persuasions will agree with me from my long experience in the House that never has there been a bigger deputation and never has there been a more unanimous one. The representatives were unanimous in their condemnation of the Government's refusal to face the realities of the housing problems in Scotland.

There is a yawning gulf of understanding between the local authorities at the sharp end of the problem and the Government in their ivory towers, whether they are in Whitehall or in St. Andrew's house. It is a staggering gulf that has to be bridged. It could be, but the Government obviously have no intention of bridging it. Their philosophy is a simple one that has been expressed by other hon. Members. They simply do not believe that it is any part of the Government's responsibility to finance in any way the housing requirements of any single family in

[Mr. Willie W. Hamilton]

the country. The result is that the subsidy in the form of tax concessions to the private owner-occupier goes into hundreds of millions of pounds a year while year by year the subsidy to the generally poorer people in council houses has diminished to nil in many local authorities in Scotland. The present situation is that the local housing authorities simply cannot cope with the problems.

The Under-Secretary will recall that in the recent debate on acid rain, I said that people in houses, hospitals or schools with lead piping were being poisoned day by day. I asked what the Minister was doing about it. The hon. Gentleman said that he would write to me. I am still waiting for the reply. What progress is being made on lead, on condensation and on asbestos? Every local authority knows about those problems. The Government must know about them, but they are doing damn all about them.

Virtually everyone who took part in yesterday's lobby —Tories, Liberals, ratepayers and all the others—said that there would be a great temptation for them to defy the law, because they could not obey the law and carry out the mandates given to them by their electors.

The Under-Secretary made great play of the rule of law. It is an important matter, but we need no lessons from Conservatives about the importance of obeying the law. That highly respectable organ of the press, *The Sunday Times*, said in a recent article:

"Financial fraud has taken place on a staggering scale in the London insurance market. But the Director of Public Prosecutions has yet to bring a single case before court. White collar criminals are laughing at the law. While the DP dithers, the financial fraudsters are sunning themselves on the Marbella beaches"—

wherever they are—

"Investors have been cheated of up to $500 million."

The Government know that; the Law Officers know that, but they are more interested in chasing humble, democratically elected Labour councillors, and Tories, throughout Scotland.

Hundreds of thousands of companies—I guess that Conservative Members are directors or great shareholders in them — are defying the law. Two of every five companies in Britain are disobeying the law by not presenting their annual reports or accounts according to the law. What are the Government doing about that? Precisely nothing. Even the Prime Minister's son was caught at that. It was only when the Sunday press got hold of him that he quickly sorted himself out. God knows where he is now.

The Government have a different approach to council house tenants. Lady Tweedsmuir and Tom Galbraith called them second-class citizens and shiftless council tenants. Conservatives regard council tenants as worthless and believe that they should stand on their own feet. When we say that rents will go up by more than £1 a week, Ministers say that 60 to 70 per cent. of council tenants receive rent rebates or housing benefits. But those benefits are paid for out of the public purse, so that what the Government save in one area goes out in another.

All this is part of a redistribution of the national wealth. We shall see it again in the Budget. The exercise is designed to take from people who have too little to give handouts in the Budget to those who already have too much. That is what it is all about. I agree with those who take the view that there is a fundamental cleavage in philosophy on these matters. The Opposition regard housing as something of fundamental importance to so many that it cannot be left exclusively to the laws of the market. There must be Government intervention and public financing. I venture to prophesy that by the end of the Parliament there will not be one local housing authority in Scotland that will be receiving one penny piece of public money for its housing programme.

I am aware that my hon. Friend the Member for Falkirk, West (Mr. Canavan) might want to participate in the debate, but I shall mention the Kirkcaldy find. The Under-Secretary of State spoke to me in the Corridor the other day. He said, "Willie, I am doing awfully well. I have found a few pennies in the kitty for the Kirkcaldy district council." That money will not give the council's houses a coat of paint. Let me thank the Minister for nothing. The council will have its representatives running around to find a few houses on which to spend the small amount that has been found in the kitty. The council wants tens of millions of pounds and its problems are small compared with those of other local authorities in Scotland.

Mr. Ancram *rose*——

Mr. Hamilton: No, I shall not give way. I am just getting into my stride. If the local authorities break the law, I hope that they will do so together without exception. If the Government continue to behave in such a dictatorial manner and continue to show such lack of understanding, there will come a time when the authorities will have no alternative but to do so. My hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) says that the answer lies with the Government and that they must face the problems more realistically. He argued that if they do so there will be no confrontation. The responsibility is theirs.

A White Paper was published yesterday setting out public expenditure over the next two or three years. It sets out a wonderful prospect. After five years of "successful" Tory Government rents, rates, gas prices, electricity prices, coal prices and school meal charges are increasing. Every price that can be mentioned is increasing as a direct consequence of the Government's policies. This is what the press is saying, and it has analysed the White Paper. At the same time, unemployment is increasing remorselessly and is exceeding 4 million. How can the unemployed attempt to meet the problems of housing and education, for example, with their increasingly worthless incomes? I hope that the Minister will see reality.

The Government can find more cash. I think of the 1,200 folks on the Falkland Islands who are about 8,000 miles away. We are to spend £2,000 million on them in the next three years, but to what end? There are 5 million folks in Scotland. If we shifted them out to the Falklands, we would get their problems solved. Prefabs are being built on the Falklands at a cost of £30,000 each. The money and resources are available and only the will is lacking to direct them to the right areas.

10.54 pm

Mr. Albert McQuarrie (Banff and Buchan): In view of Mr. Speaker's request, I shall endeavour to keep my remarks short.

Mr. Dennis Canavan (Falkirk, West): Get off your knees.

Mr. McQuarrie: I shall ignore that comment.

I take issue with the hon. Member for Edinburgh, East (Mr. Strang) for whom I have the greatest respect. He said

that the Conservatives were forcing up council house rents to compel tenants to purchase their council house. That is a lot of rubbish. *Hansard* of 22 November 1984, c. 273-5, clearly shows that the percentage of council houses sold between 1 April 1975 and 30 September 1984 is less than one would have expected. For example, Strathclyde with 460,000 public sector houses in stock at 30 September 1979 sold only about 11,000 houses — 2·5 per cent. Sales of public sector houses have seldom reached double figures in local authority areas generally.

Hon. Members have referred to the state of council houses and their period of disrepair. The hon. Member for Greenock and Port Glasgow (Dr. Godman), who is not in the Chamber——

Mr. Wallace: He has been here all night.

Mr. McQuarrie: I am merely commenting. If the hon. Member for Greenock and Port Glasgow had examined council house construction under successive Governments, he would have found that the houses were approved by the central Government of the day according to the Parker Morris standard. The houses are now defective because they were not properly constructed in the first place by the architects. The houses became defective because the Parker Morris standard did not reach the building standard suitable for Scotland's climatic conditions.

We can see the shamble of houses in Glasgow which for many years did not receive proper attention. That happened under Labour Administrations even when councils received housing support grant. Councils did not use that grant properly. We should remember the houses that were demolished.

Dr. M. S. Miller (East Kilbride): What would the hon. Gentleman know about it?

Mr. McQuarrie: I remember this well enough to know all about it. Houses were demolished by a Labour department. The cost of building those houses was three times what it would have cost for the private sector to do the job. The standard of workmanship was such that some of the management had to be dispensed with. That is why many of the houses in Scotland are in a state of disrepair. The first of these public houses were constructed in 1945 after the second world war. They were constructed badly and were never maintained. I conjoin management and maintenance. Most of the council estates—whatever the political colour of the local authority—are overmanaged and undermaintained. That is one of the greatest problems. No one at the top will take the decision to remove the unnecessary people. There are far too many top brass and not enough workers doing the job. That is why so many construction workers are unemployed.

To Glasgow's credit, during the past two or three years scaffolding has been put up. An excellent job is being done to refurbish many of the tenements. Glasgow is effectively and efficiently using the money the Government have given through housing support grant. *[Interruption.]* The hon. Member for Falkirk, West (Mr. Canavan), who is laughing, has probably never set foot in the parts of Glasgow that are being refurbished. The Glasgow council is doing an excellent job, but Glasgow city council and other local authorities should continue to do that job.

I agree entirely that the Government should take action to alleviate dampness. It is nonsense to say that £60 million is sufficient even to start curing the dampness problem. I go so far as to say that my hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley) was wrong to say that it would not take £500 million. Having been in the business for many years and as a member of the relevant Select Committee I believe that for the whole of Scotland it will certainly take £500 million to cure the dampness problem.

I commend the orders to the House.

11 pm

Mr. Jim Craigen (Glasgow, Maryhill): I am glad to know that the hon. Member for Banff and Buchan (Mr. McQuarrie) is something of a firebrand when it comes to curing dampness in Scotland, because the Government are doing precious little about the problems facing local authorities and the suffering of their tenants.

I thought that one reason why the Secretary of State did not open the debate might be that the provost of Kyle and Carrick had suggested that he should not, but my hon. Friend the Member for Cunninghame, South (Mr. Lambie) has pointed out that since he erred in his election campaign for the provostship he is no longer chairman of the Ayr Conservative association and has indeed been expelled from the party because of his concern about rents and local services.

These three orders amount to an abysmal prospect for Scottish tenants in 1985. The housing support grant of £48·2 million is a mere one sixth of that available in 1980-81. That means that two thirds of local authority housing stock is now outwith Government financial aid and the majority of Scottish authorities now receive no direct Government aid towards housing problems compared with the situation five years ago when all 56 Scottish authorities qualified for housing support grant.

The variation order for 1984-85 has already been overtaken by events. The Chancellor of the Exchequer has imposed a minimum lending rate of 12 per cent. That means that for the remainder of the current financial year those local authorities that still receive housing support grant could be out of pocket to the tune of about £16 million. Edinburgh district council pointed out today that since the rate fund contribution limit was fixed interest rates have risen to the extent that its housing account costs may increase by about £2·1 million. The variation order reflects the increase in interest rates last summer, but there have been two substantial increases in recent weeks.

The final straw is the new rate fund contribution order limiting to £90 million the general rate fund contribution to those authorities that choose to have one. As the contribution was running at about £120 million in 1984-85, that means a real cut of about £30 million in housing resources.

The Secretary of State is taking all the power that he needs effectively to fix rent levels in Scotland, and behind the skirts of the local authorities because he refuses to introduce a national rent level. He is manipulating HSG, the rate fund contribution and all his other powers in order to make the local authorities do what St. Andrew's house wants.

The hon. Member for Dundee, East (Mr. Wilson) referred to the complexity of the orders. I believe that the complexity is largely deliberate. It is hoped that we will find it difficult to understand how little the authorities are

[Mr. Jim Craigen]

to receive. Only in algebra and in the twisted minds of Tory Scottish Ministers does a combination of minuses result in a plus.

The three orders present decay and disaster for Scottish housing in the foreseeable future. The housing support grant is mean-minded, the variation order is already inadequate and the rate fund contribution limitation order can only be described as vindictive. Decay and deterioration lie ahead for more housing in Scotland as a result of the orders.

The orders also show the disdain with which Tory Scottish Ministers view Scotland's 850,000 council tenants. My hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) talked about the possibility of the ghetto. The Government seem determined to pincer the local authority housing sector into a ghetto, and the council tenants with it. At a time when the Scottish building industry is in despair about the lack of work, and thousands of building workers are idle, it seems shortsighted in the extreme that the Government do not do more to generate employment and business opportunities within Scotland's construction industry.

Last Friday I met the Scottish construction industry group. I discussed with representatives of both sides of the building industry some of their anxieties about the prospects for the next 12 months. We are not yet seeing the full effects of the changes made in October 1983 reducing grants for home improvements from 90 per cent. to 50 per cent. There is a lead time before the effects of such changes are seen.

We have heard about capital allocations and the £16 million for dealing with dampness. That money is not being handed out to the local authorities. They are being given permission to borrow it, and are expected to earmark £16 million for the eradication of dampness.

Ministers at the Scottish Office do not last long in housing. In March 1983 the Minister's predecessor with that responsibility, the hon. Member for Eastwood (Mr. Stewart), said in a press release:

> "Glasgow . . . gets an extra £5 million in the next financial year . . . This should enable the District Council to cover in full the cost of carrying through its entire programme for the eradication of dampness and condensation in one year if it so chooses."

That was said before the Select Committee chaired by my hon. Friend the Member for Cunninghame, South reported and certainly before the Scottish Development Department produced its own memorandum to that Committee, which admitted that about £150 million would be required in Scotland in the foreseeable future. It is an interesting introduction of hypothecation from a Minister who constantly told us, during discussions on clause 8 of the Rating and Valuation (Amendment) (Scotland) Act 1984, that he did not want hypothecation and that no one else wanted it. He now thinks it worth while to introduce it.

I listened with rapt attention to the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) talking about the Housing Defects Act. It seems that the Scottish Office wants to earmark £3 million. Edinburgh district council says that the full potential cost of buy-back or repair to be met through an authority's responsibilities under the Housing Defects Act 1984 to those who bought their homes will amount to £3 million, but that it will cost £17 million to repair the remaining homes in the public sector. As the hon. Member for Edinburgh, West said, numerous council tenants live cheek by jowl with those who have bought their homes. It is difficult, if not impossible, to isolate work that must be done for those who have rights under the Housing Defects Act 1984 from those who were excluded and lack parity.

The Government are determined to raise rents to an extent that I can only regard as excessive and unreasonable. The hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley) might well be satisfied that her local authority is one of six that will have to raise rents by £3 per week, but my hon. Friend the Member for Greenock and Port Glasgow (Dr. Godman) made it clear that he does not share her view. There might be a larger proportion of their Lordships in Scotland than in England and it is difficult to draw comparisons on wage levels between England and Wales and Scotland. I suspect that there are sharper divides in incomes in Scotland and that the average is blunted because of the way in which averages are calculated.

The Secretary of State for Scotland (Mr. George Younger): Come on!

Mr. Craigen: The Secretary of State asks me to come on—if only he would come on for Scotland's tenants. That is what we are asking for. We want him to look after the interests of tenants in Scotland. He must have handed out a few briefs to his Back Bench colleagues. I exclude the hon. Member for Banff and Buchan because I know that he would tear up any ministerial brief. The trouble is that some of the Secretary of State's colleagues read only the good bits in the brief. They ignored the bits that will sting the tenants whom they represent.

The hon. Member for Aberdeen, South (Mr. Malone) said that it is all a matter of balance and talked about housing finance. I do not think that he knows that many local authorities, and the money they spend, help the private sector as well as council house tenants. If he wants Scotland to be on all fours with England and Wales, he should consider why we need a Scottish Minister with responsibility for housing. Come to think of it, we could do better without this one. Public expenditure on interest relief is a form of negative public expenditure. Now that it is running at £2·75 billion in the United Kingdom I suggest that we have an open-ended subsidy irrespective of a person's income. The more he borrows, the more interest relief and tax that he does not have to pay. It is time for a reappraisal of the top end of the income scale.

We had representations this week from the Scottish Council for the Single Homeless. Some of the things going on up and down the country are a moral outrage. Young people are being driven from their homes. The orders make provision for hostel and lodging accommodation. It would be interesting if the Minister would comment on that aspect, because it tends to be ignored.

The hon. Member for Fife, North-East (Mr. Henderson) thinks that everything would be hunky-dory if we were all on housing benefit. Forty-five per cent. of households in Scotland are on housing benefit, compared with 35 per cent. in England and Wales. There is a disparity there. It should not be overlooked that housing benefit relates to individuals and is not a subsidy to a housing authority.

The orders represent higher rents, reduced maintenance and repair of Scotland's housing stock, longer waiting lists and greater homelessness. They also mean more

joblessness in the construction industry and more bankruptcies among wee builders. These orders paint a prospect for 1985 of despair, decay and disaster in many sections of Scotland's housing stock.

11.16 pm

Mr. Ancram: I have listened to the hon. Member for Glasgow, Maryhill (Mr. Craigen) on many occasions, but his speech tonight gave me the impression that his heart was not in it. Until the end of his speech, when he mentioned the percentage of people in council houses in Scotland receiving housing benefit, it bore so little relation to reality that there was little on it for me to answer. I am not surprised about that. When he compares the Labour Government's record on housing with this Government's achievements since 1979, it is not surprising that he lacks the confidence to make a stronger case.

I remind the House that between December 1975 and March 1979, when the Labour party was in Government, the reduction in the number of below tolerable standard houses was 24 per cent. Between March 1979 and March 1984, when the Conservative party was in office, it was 44 per cent. We are proud of that record.

Unlike the hon. Member for Glasgow, Garscadden (Mr. Dewar), the hon. Member for Maryhill mentioned the number of people on housing benefit. He knows, even if his hon. Friend does not, that money spent on housing benefit goes into housing, as much as any other money for housing does. Since 1979-80, that figure has increased from £32·4 million to £70·4 million in the current year.

Mr. Robert Hughes: That is disgraceful. The Minister should be black affronted by what he has just said. The sum spent on housing benefit since the Tory Government have been in power is a shame and a disaster, and shows the poverty that he has inflicted on the Scottish people.

Mr. Ancram: The hon. Gentleman has shown precisely what the difference is between the Labour party's policy and ours. We believe in subsidising people in need, not in subsidising every council house and tenant. That is precisely what the orders are about.

In the short time remaining to me, I shall try to deal with some of the specific points raised in the debate. The speech of the hon. Member for Garscadden was, understandably, general, and I covered many of his points during my opening speech. He mentioned the action being taken by Glasgow district council against my right hon. Friend. Although I do not wish to say too much about it now—he will understand that it would not be proper for me to do so—I must tell him that I am surprised by the terms of Glasgow's court action. Needless to say, my right hon. Friend rejects completely the suggestion that his actions were ultra vires. My right hon. Friend made a full and careful consideration of all the factors mentioned in Glasgow district council's letters of 21 and 30 November and 28 December when reaching his decision not to increase the rate fund contribution limit for Glasgow district council——

Mr. Norman Buchan (Paisley, South): On a point of order, Mr. Deputy Speaker. We have listened to a long extract from a letter from the Secretary of State for Scotland, who happens to be in the Chamber. Can he not stand up and speak for himself?

Mr. Deputy Speaker: The hon. Gentleman knows that that is not a point of order.

Mr. Ancram: The hon. Gentleman did not attend the whole debate, and he may not wish to hear the answers to some of the relevant questions that were asked.

The hon. Member for Garscadden also mentioned Glasgow's rent increase. In considering the rent increase that Glasgow proposes, one must take account of the fact, as we did—the hon. Gentleman obviously did not—that Glasgow imposed a rent freeze for the current year, and is planning to increase expenditure on management and maintenance by considerably more than the rate of inflation. This explains the disparity in our views.

I was a little disappointed by what the hon. Member for Glasgow, Provan (Mr. Brown) said about housing associations, and I was amazed to hear the allegation made by the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy), because within the total allocation this year my right hon. Friend has preserved, and increased marginally, the proportion to the housing associations in recognition of the value that we place on their work. For the hon. Member for Ross, Cromarty and Skye to say that their allocations had been cut by 40 per cent. defies explanation, because for the third year running, housing associations will have more than £100 million to spend. That is a considerable sum.

The hon. Member for Provan asked me whether I would consider sympathetically par value co-operative proposals in Glasgow. I am sympathetic to those imaginative proposals, provided that they are likely to lead to a real and lasting transfer of ownership and control from the district council to the tenants. Several problems remain to be considered, but in general I am sympathetic.

My hon. Friend the Member for Dumfries (Sir H. Monro) asked about interest rates. I said that we shall consider bringing forward a variation order for an increase or decrease in housing support grant as appropriate in due course. He asked about timing. He must appreciate that the variation orders are not there to react to every movement in interest rates. They are there to correct the position once it becomes apparent that the original estimates are wrong. My hon. Friend also asked whether the rate fund contribution limits were set arbitrarily. The formula of asking authorities to reduce rate fund contributions by 10 per cent. from last year's limits, or to hold to their budgeted figure, if that is lower, was discussed in principle with COSLA, which was unable to suggest an alternative approach. In fairness, I should say that it did not like the outcome of this formula. The fairness of the formula is manifested by the fact that the rent increase assumed within it is on a par with that assumed in this housing support grant order.

My hon. Friend the Member for Edinburgh, South—*[Interruption.]* I was always very proud of my ability to play my own trumpet, but on that occasion it was not deliberate. My hon. Friend the Member for Aberdeen, South (Mr. Malone) asked whether, in setting allocations for authorities, we take account of the varying enthusiasms for council house sales. The answer is yes, because we assume that authorities will generate receipts from sales within an average of seven months, and those that complete within that time have stronger allocations than those who do not.

The hon. Member for Dundee, East (Mr. Wilson) made a number of points, and I was rather suprised to hear him of all people talk about cash for the HRAs, because we have given Dundee district council a provisional gross allocation on the HRAs for this year of £7·8 million. This

[Mr. Ancram]

represents a 19 per cent. increase in the council's allocation for the current year, and meets 82 per cent. of Dundee's bids for HRA resources on that block. I would have hoped, in the light of constraint on expenditure, that he would at least be prepared to accept that that was a major allocation.

The hon. Member for Edinburgh, East (Mr. Strang) made a number of points about the situation in Edinburgh, but, as I spoke earlier about Edinburgh, I do not want to say too much about it now. There are a number of things in what he and the council have said that we find puzzling. It is clear from Edinburgh's capital programme, which has been made available to us, that it plans to spread expenditure evenly. Planned expenditure on condensation and dampness in 1985 totals only £1·93 million in the plan. Our earmarked allocation of £4·7 million should enable Edinburgh to accelerate measures to tackle this problem over and above what it had already decided to do.

My hon. Friend the Member for Edinburgh, West (Lord James Douglas-Hamilton) asked a number of questions, in particular whether I could give him the figures of rent and wage comparisons between England and Scotland. The average Scottish local authority rent is £10·46 a week, and the average Scottish earnings for a full-time manual male worker aged 21 and over is £156·20. In England, the equivalent figures are £14·71 and £152·40.

Mr. Canavan *rose*——

Mr. Ancram: I am not giving way.

Mr. Canavan *rose*——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. The hon. Member for Falkirk, West (Mr. Canavan) can see that the Minister is not giving way.

Mr. Ancram: My hon. Friend also asked some questions about the Housing Defects Act. We have advised councils that in setting provisional capital allocations, we have taken no account of expenditure that will be incurred through this Act, but we have made provision at a later stage, when the council is better able to assess the need, to make supplementary allocations should that need arise.

My hon. Friend the Member for Fife, North-East (Mr. Henderson) put his finger on the nub of the debate. When we examine what the Opposition's case has been, it becomes clear that their policy does not hold together. Many of the speeches that have been made tonight were saying that we should subsidise house rents whether the tenants need that subsidy or not, at the expense of dealing with problems such as dampness and condensation.

The Opposition's first argument is that subsidy should be paid regardless. That is why they oppose the HSG order, which is based on the calculation of need. Subsidy for everyone, whatever the cost is their policy, and it can be justified only by short-term political expediency. Who should pay for these subsidies, according to the Labour speeches that we have heard? In opposing the rate fund contribution limits, it is clear that they believe that the ratepayers should pay to these general subsidies to council housing. In our debate tomorrow I believe that we should remember well who it was who tonight tried to protect the interests of ratepayers and who it was who tried——

Mr. Canavan *rose*——

Mr. Deputy Speaker: Order. The Minister is obviously not giving way.

Mr. Ancram: The question remains as to how they will achieve it. We have had no answer tonight from the Opposition about breaches of the law. The effects of these orders together, alongside the announcements we have made on provisional allocations, bring a balance to Scottish housing that is needed. They ensure that within the available resources money is being spent where it is most needed. Those who need help are getting it and ratepayers are not being asked to bear an undue burden. With confidence I commend these orders to the House.

Question put:—

The House divided: Ayes 317, Noes 190.

Division No. 76] **[11.30 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(N Dorset)*
Baldry, Tony
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Bevan, David Gilroy
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Body, Richard
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Bulmer, Esmond
Butcher, John
Butler, Hon Adam
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Durant, Tony
Dykes, Hugh
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Fry, Peter
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, E. *(B'y St Edm'ds)*
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, John Selwyn
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth

Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(SW N'folk)*
Hawksley, Warren
Hayes, J.
Hayhoe, Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Hordern, Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(N Norfolk)*
Hubbard-Miles, Peter
Hunt, David *(Wirral)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(W Herts)*
Jopling, Rt Hon Michael
Joseph, Rt Hon Sir Keith
Kellett-Bowman, Mrs Elaine
Key, Robert
King, Rt Hon Tom
Knight, Gregory *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Norman
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morris, M. *(N'hampton, S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, Christopher *(Bath)*
Patten, John *(Oxford)*
Pattie, Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Rifkind, Malcolm
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spence, John
Spencer, Derek
Spicer, Jim *(W Dorset)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Trotter, Neville
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Waldegrave, Hon William
Walden, George
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Ian Lang.

NOES

Adams, Allen *(Paisley N)*
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Godman, Dr Norman
Golding, John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Janner, Hon Greville
John, Brynmor
Johnston, Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamble, David
Lamond, James

Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
McNamara, Kevin
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Roberts, Allen *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rose, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Cyril *(Rochdale)*
Smith, Rt Hon J. *(M'kl'ds E)*
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Torney, Tom
Wainwright, R.
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
White, James
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. John Maxton and
Mr. John McWilliam.

Question accordingly agreed to.

Resolved,

That the draft Housing Support Grant (Scotland) Order 1985, which was laid before this House on 11th January, be approved.

Housing Support Grant (Scotland)

Resolved,

That the draft Housing Support Grant (Scotland) Variation Order 1985, which was laid before this House on 11th January, be approved.—*[Mr. Ancram.]*

Orders of the Day

Consolidated Fund (No. 2) Bill

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith pursuant to Standing Order No. 113 (Consolidated Fund Bills), and agreed to.*

Bill accordingly read a Second time.

Question, That the Bill be now read the Third time, *put and agreed to.*

Bill accordingly read the Third time, and passed.

11.44 pm

Mr. Nigel Spearing (Newham, South): On a point of order, Mr. Deputy Speaker. Can you confirm that while, of course, Standing Order 113(1) permits the procedure we have just been through, Standing Order 113(2) would permit, if the Government so wished, a motion for the Adjournment to be moved to enable us to debate any matter which any hon. Member wished to raise? This is the first time, as I understand it, that the Consolidated Fund Bill has been used in respect of a Supplementary Estimate. Can you confirm that in this instance it is likely that the Adjournment will not be moved so that if the Procedure Committee reconsiders the procedure for Supply and wishes to consider this precedent which separates the Consolidated Fund Bill from any discussion it can do so? Can you confirm, Mr. Deputy Speaker, that my interpretation of the Standing Order is correct?

Mr. Deputy Speaker (Mr. Ernest Armstrong): The hon. Gentleman is quite correct, and I am grateful to him for giving me notice that he would raise a point of order.

Opposition Parties (Financial Assistance)

11.45 pm

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I beg to move,

That the Resolution of the House of 20th March 1975 shall have effect from 1st January 1985 with the substitution of the following paragraphs for paragraphs 2 and 7 of that Resolution:

'(2) That for the purpose of determining the annual maxima of such assistance the following formula shall apply:

£1,500 for each seat won by the party concerned plus £3 for every 200 votes cast for it at the preceding General Election, provided that the maximum payable to any party shall not exceed £450,000.'; and

'(7) That claims under these arrangements shall be made monthly, and that the annual maxima shall be applicable to claims made in respect of expenses incurred during any one calendar year.'.

I think it is appropriate if I open this debate by briefly reminding hon. Members of the background to these proposals.

This scheme, was first introduced in 1975 by Mr. Edward Short, now Lord Glenamara. It was deliberately strictly limited in its scope. It was, and is, related solely to financial support for the parliamentary work of the Opposition parties here at Westminster. Historically, it has been mainly used towards the costs of running the offices of the leaders of the Opposition parties and also research support for Opposition spokesmen.

There are, I suppose, two well-defined views on state financial aid for political parties. A number of hon. Members are opposed to any such assistance, whether it be for activities at Westminster or beyond. On the other hand the opposing view was expressed by the majority of the Committee set up by the Government in 1975 under the chairmanship of Lord Houghton. This view argued that the state aid to political parties should extend widely, and include general activities at and between general elections, as well as work at Westminster.

The proposals now before the House are a compromise between the positions I have indicated. As I have said essentially it is confined to activity at Westminster, and to Opposition parties.

The House will wish to know a little more about the financial structure of the proposals in the motion. The formula used has always been based on a combination of seats won by the party at the preceding general election plus a sum for every 200 votes then cast for it. The entitlement has, from the beginning, rested on a minimum qualification of a party having had one Member of Parliament elected at the preceding general election and having secured at least 150,000 votes: and there has always been a maximum payment, which was originally £150,000 a year.

The sums and the maxima used in the formula have, however, been raised three times since the scheme was first introduced. Since 1 January 1983 the maximum has been £323,000 and the formula has been £1,080 for each seat plus £2·16 for every 200 votes. The present proposal would, if approved, raise the sums payable under the formula to £1,500 per seat and £3 for every 200 votes: subject to an annual maximum of £450,000. It is intended that those figures should apply for at least the remainder of this Parliament.

The Labour party would accordingly receive, under the proposed new formula of £1,500 a seat plus £3 for every 200 votes, just over £440,000; the Liberal party about £88,000; the SDP about £62,000; and the remaining smaller parties about £40,000 between them. This means that each party will receive the same proportionate increase in the amount of assistance that it receives.

A further, minor, change proposed is that, in future, claims by the parties for amounts due under these arrangements should be made monthly, rather than quarterly as at present. This is primarily a matter of administrative convenience.

These increases are substantial; almost 39 per cent. greater than the amounts that have been payable since January 1983. I can assure the House, however, that the proposals result from a consideration of the current present costs of the services which the scheme is meant to cover. Furthermore, the new levels are meant to last at least for the duration of the present Parliament.

The House will recognise that the cost of other aspects of support services has also increased very considerably in recent years. For example, if these arrangements are approved, the maximum amount of financial assistance given to the Opposition parties will have risen threefold since 1975. During the same period the operating costs of the House of Commons Library increased fivefold.

Moreover, the amount paid to hon. Members in secretarial and research allowances over the same period has increased by eight times. I do not think, therefore, that the proposals can be said to represent a significant increase in the patronage available to the Opposition parties.

Nevertheless, it is essential that this important parliamentary issue, involving, as it does, an aspect of a significant political principle, should stand and be decided on its own merits. This present motion does at least enable this to be done.

My personal view is that it is right to treat any increase in state aid for political parties with the utmost caution. But I do not believe that the proposed increases depart from this tradition of measured agnosticism.

In the final analysis, however, it is not for Ministers alone to lay down what is a proper level of support for Opposition parties. The amounts in question are presented to the House for an open and explicit expression of opinion.

I have accordingly merely attempted to set out the general background. It is now for the House to decide.

11.51 pm

Mr. Peter Shore (Bethnal Green and Stepney): The Leader of the House was right to remind us of the background of these proposals, and we are all indebted to him for his very clear exposition.

The motion is concerned only with the continuity of those arrangements first made in March 1975 and which have been endorsed and re-endorsed in 1978, 1980 and 1983. Tonight, as on all previous occasions, the aim of the motion is to update the cash formula to take account of increased costs, principally the earnings and numbers of those employed by the Opposition parties, to assist them in the performance of their parliamentary duties.

As the Leader of the House has reminded us, there are, of course, those who believe that there should be no state funding whatever for parliamentary Opposition parties, and there are those who are convinced that, if Opposition parties are to be both more effective and less dependent

[Mr. Peter Shore]

on their institutional backers, then state financing should be greatly extended. But neither of these viewpoints is reflected in the motion before us tonight.

It is, as I say, simply an updating of the original proposal of 20 March 1975 which, as the then Leader of the House said,

"is concerned solely with the question of whether a measure of financial assistance should be made available to Opposition parties to assist them in their parliamentary work here at Westminster".—[*Official Report*, 20 March 1975; Vol. 888, c. 1869-70.]

The House decided then that such financial assistance should be made available, and it was, of course, the Conservative party, then in Opposition, which was the principal beneficiary.

There is no reason to believe that assistance with parliamentary work is required less in 1985 than it was a decade ago. Indeed, most would accept that the volume and complexity of business coming before Parliament and the pressures upon Parliament from outside are all still increasing.

The need for the Leader of the Opposition to have an office and a staff, the need for the parliamentary party collectively to have a small staff to service its meetings and its various committees and the need for shadow Ministers to have some assistance in their continued scrutiny of ministerial measures—these needs are not, I think, seriously challenged. Nor, although it is outside the terms of the motion, is the need for Back-Bench Members of Parliament to have a measure of research assistance too.

What is open to question is the adequacy of the cash amount that is to be made available. In the 1983 Top Salaries Review Board No. 20, the Plowden committee concluded:

"Although the adequacy of the financial assistance involved under the 1975 arrangements is a matter for the House and Government to decide, we believe that it should be based on a realistic assessment of need, and the sums involved should be regularly up-dated".

The Plowden committee did not lay down what was a realistic assessment of need, but it is at least relevant to draw attention to the findings of the management consultants whom the Plowden committee employed that a full-time research assistant, which, in their view, all shadow Ministers required, would need to be paid about £10,600 per annum at November 1982 prices. I assure the House that nothing like that sum has been made available to shadow Ministers and the present increase, helpful as it is, will have only a small effect.

We also have to note the words of the Leader of the House that the new levels are meant to last at least for the rest of this Parliament. Nevertheless, I welcome the motion and commend it to the House.

11.55 pm

Mr. Ivor Stanbrook (Orpington): If we are to save the Labour party from its impending demise—I speak out of a concern for the future of the party—we must assist it to retain its place as a major political party. Therefore, we must find the best way by which the Labour party can raise funds for itself and its cause. Clearly the best way would be to raise money from its individual members and thereby enable those who support the party to demonstrate that fact by their subscriptions, and give them an interest in what happens to their money after they have contributed it.

It could be said that the existing system, under which the Labour party depends on assistance from trade union funds, is satisfactory for it, but it seems from recent history that it is proving unsatisfactory. I commend a more democratic system, based on the principle of one man, one vote.

Mr. Eric Forth (Mid-Worcestershire): Does my hon. Friend agree that if political parties drew their primary financial support from their supporters in the country the alliance parties would be able to expect a large amount of financial assistance from the support that they claim to have in the country? That would strengthen my hon. Friend's argument that parties should provide their finances from that direction.

Mr. Stanbrook: I will not go down that path, because the principle applies to every political party. It could be said that the Conservative party derives too low a proportion of its funds from individual membership subscriptions and too much from donations. We should all learn that a democratic party, functioning well, should, as far as possible, raise funds from individual members through donations and subscriptions. Best of all, the money should be raised through personal contact on the doorstep between members of the party—even up to the level of Members of Parliament—and those who give the money.

The one way of financing political parties that should not be encouraged is financing by the taxpayers. There are great dangers in that system.

Mr. David Winnick (Walsall, North): As the hon. Gentleman says that Opposition parties should not be financed in the way proposed, do I take it that he opposed and voted against the original proposal in 1975, which resulted in his party being financed in that way?

Mr. Stanbrook: It is a cheap argument to ask someone who proposes an argument on its merits, "What did you do when the scheme was brought into existence?" I do not think that there is much to be said about the consistency argument. If we are to judge an issue on its merits, we must allow for the fact that sometimes our knowledge and experience increases, which leads us to change our opinions. There is nothing wrong in changing one's opinions. It so happens that I have always been opposed to the public funding of political parties.

Mr. Biffen: My hon. Friend voted against the proposition when it was last before the House.

Mr. Stanbrook: I am obliged to my right hon. Friend. To raise funds for political parties through the financial support of individual members of the parties is the healthiest way of proceeding. Unless political parties at least have that as their objective, we should not consider any means of assistance such as that which is before us. I am talking about all parties. I am not confining my remarks to Opposition parties.

All Opposition parties are labouring under considerable financial difficulties, especially in financing their research work in this House. I understand that that is the basis of the compromise settlement which has passed successfully through the House in the past few years. I accept that there is a stronger argument for providing assistance to the research offices of the parliamentary parties and for providing assistance for the staffing of the leadership of the parties. That assistance provides a service to Parliament

itself because it enables us all the better to perform our functions as members of parties rather than as individual Members. Although I am against the principle of public funding of political parties, I recognise that there is a stronger argument for servicing the party leaderships' offices in this place by public funds.

It is undesirable that by passing a motion of the sort that is before us every so often we should get into the habit of agreeing that public funds should be used to finance political parties. It is with that in view that I make my contribution to the debate. If we fail to look forward to the time when all political parties can rely on the support of their members, we shall be travelling in the opposite direction and the parties will become dependent upon public funds.

Mr. Jack Dormand (Easington): I am grateful to the hon. Gentleman for giving way for the third time in what I hoped would be a short speech. It seems that the premise of his argument is wrong. We are not talking primarily about funding political parties. The logic of the hon. Gentleman's argument is that the Government should run the country's business on what the Tory party can raise as a political party. Surely that is a total misconception. We are discussing the Opposition parties in constitutional terms and not as political parties. If the hon. Gentleman is advancing the narrow argument that I understand, he must apply it to the Government of the day. The Government of the day are a Tory Government and, according to the hon. Gentleman's argument, the Tory party should raise the Government's money. That is clearly preposterous. The Government of the day have millions of pounds at their disposal, and rightly so. Surely it is incorrect to say that the Opposition should be limited to what the individual parties can raise.

Mr. Stanbrook: I do not accept that argument. The party that provides the Government of the day is in a different and separate constitutional position from the parties that make up the rest of the House. It is not possible to say that when a Government are in power—they are vested with executive responsibility for the government of the nation — they should rely upon sources that are privately available to them. That would be wrong. The power to tax all the people is one that is vested in the party which wins a general election, and only because of that, under our democratic system. It follows that the parties that do not have the endorsement of a parliamentary election so as to obtain a majority of the seats in the House are in a different position. They do not have responsibility for the government of the country but they have a responsibility to provide good and effective opposition. If the word "constitutional" were changed to "parliamentary" relating to the functions of a political party in the House, there would be an argument. I would disagree with that argument, because I believe that there is a dangerous tendency to rely on public funds. Those who are strongly opposed to support for political parties other than their own strongly object to providing money from their pockets through taxation to support political parties. What an individual does by way of donation is a matter for him.

I suppose that there is an argument for saying that individual taxpayers may, if they wish, agree to be taxed at the rate of 1p above the normal standard rate and that the revenue received should be devoted to the party of their choice, endorsed in their income tax return. I believe that that solution has been adopted in some countries.

I used to be connected with Nigeria which found itself in difficulties when it had regional self-government in the 1950s.

Mr. John McWilliam (Blaydon): On a point of order, Mr. Deputy Speaker. Where do the points now raised by the hon. Member for Orpington (Mr. Stanbrook) arise in the context of this debate? The debate is about funding Opposition parties, not funding of political parties.

Mr. Deputy Speaker (Mr. Ernest Armstrong): The hon. Member for Orpington (Mr. Stanbrook) is not out of order. I shall tell him if he is out of order.

Mr. Stanbrook: I thought that the House might be interested in this point because it is relevant. This will be my last point.

When people in Nigeria began political parties for the purposes of regional self-government, they found it difficult to raise funds. As members of the various assemblies were elected, they were obliged to contribute 10 per cent. of their salaries to the national party funds. For some years, political parties in Nigeria were financed in that way. The money came ultimately from the taxpayer, and therefore I believe that scheme was highly objectionable.

That system is understandable in a young, new democracy with a Government and Opposition starting from scratch, but we are not in that position. Britain is a mature democracy which believes in one man, one vote.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): One person.

Mr. Stanbrook: It believes in one person, one vote. I am obliged to the hon. Lady. That means that we should all try to raise political funds for political parties — including for their parliamentary activities — from individual subscriptions from the membership of the party.

I do not oppose the motion, but we should bear in mind that the objective should be to do without this money from public funds and to rely upon individual subscription.

12.8 am

Mr. A. J. Beith (Berwick-upon-Tweed): I feel that I am in a reasonably comfortable position to rebut in a few sentences some of the points made by the hon. Member for Orpington (Mr. Stanbrook). My party has to raise most of its funds from individual donations and has sought to contest much of the institutional funding of British politics which is carried out without the consent of trade union members or shareholders. I agree with the direction of support for political parties which the hon. Gentleman seeks, but I do not agree with him in opposing any kind of state assistance. That is not the issue for debate tonight. We are discussing whether the parliamentary activities of parties represented in the House should continue to be supported and whether that support should take account of increasing costs in recent years. That is all we are about.

I was reminded of the late Keith Wickenden who, when a Member, did not merely oppose the funds we are discussing but said that the Conservative party should repay the £615,000 which it had extracted from those funds while an Opposition party. He admitted that that was the logic of the case and that if the Conservative party changed its mind it would have to give the money back.

I was also intrigued to hear the hon. Member for Orpington advocating the Militant Tendency policy of

[Mr. A. J. Beith]

political activists tithing their incomes to support their parties. Supporters of the Militant Tendency have clearly found a new friend in that respect.

We are debating whether reasonable cost increases should be made in the amounts paid under the formula originally devised by Lord Glenamara, then Mr. Short, to assist parties in this House. It is not, of course, the only form of assistance. The official Opposition have long had other forms of direct support—civil servants employed in the Opposition Whips office, for example, the salaries of some of its members, and so on—which do not apply to other Opposition parties. This is the one aspect of assistance that is applied to all the Opposition parties according to a formula.

As Lord Glenamara said when he introduced the formula, the burdens on Opposition funds are not in direct proportion to the number of Members that they have in the House. They are more likely to reflect the number of votes that they have in the country, which is why that factor was included in the formula.

Each Opposition party may set out its own claim for an alternative system, but the fact remains that costs have risen and staff have to be considered. We are talking about the salaries of people who work in this place alongside other staff whose salaries are protected by other arrangements, whether by increases in Members' allowances or by Civil Service linked salaries as in the case of Clerks and other staff of the House. Those who work for the parties represented here deserve some recognition of their needs. The object of the increase is to provide for that end and for other cost increases to be met through one increase which is meant to serve for several years.

I welcome the Government's proposal. I think that it is reasonable and I hope that it will be supported not just by Opposition Members but by the whole House in a spirit of recognition that the democratic process depends upon the work of the parties in this House.

Question put and agreed to.

Resolved,

That the Resolution of the House of 20th March 1975 shall have effect from 1st January 1985 with the substitution of the following paragraphs for paragraphs 2 and 7 of that Resolution:

'(2) That for the purpose of determining the annual maxima of such assistance the following formula shall apply:

£1,500 for each seat won by the party concerned plus £3 for every 200 votes cast for it at the preceding General Election, provided that the maximum payable to any party shall not exceed £450,000.'; and

'(7) That claims under these arrangements shall be made monthly, and that the annual maxima shall be applicable to claims made in respect of expenses incurred during that one calendar year.'.

Mr. D. T. W. Forsyth (Compensation Claim)

Question proposed, That this House do now adjourn. *—[Mr. Peter Lloyd.]*

12.12 am

Sir Geoffrey Johnson Smith (Wealden): I hope that my hon. Friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs will shortly appear. The House never ceases to surprise me with its moods and the swiftness with which it sometimes disposes of its business. In the meantime, I am grateful to my right hon. Friend the Leader of the House for returning to the Front Bench.

The complex subject of this debate originates as long ago as 1957 when the then Government made their ill-fated attack on Egypt. The immediate effect on British residents in Egypt was summary expulsion and confiscation of all their property and assets. Many of those people, including the Forsyth family, the head of which lives in my constituency and on whose behalf I speak, had settled in Egypt, working for British companies and responsible for sales and other matters in an important market for British goods and services. The Forsyths acted for such top companies as British Leyland, Rolls-Royce, Daimler and BSA.

I see that my hon. Friend the Parliamentary Under-Secretary of State is now present. He and I share many interests, not just in matters of political philosophy. We are both Sussex Members and my hon. Friend's constituency now includes East Grinstead which I represented for many years. He comes new to his appointment and this is the first time that I have been in a position to welcome him to the responsible position that he now holds in the Foreign Office.

In saying that, I ask my hon. Friend to remember that I do not take up causes lightly. One does not often take up an Adjournment debate of this kind or question the veracity, strength or skill of important services of the Crown or those whom it employs. Tonight I am questioning not the veracity of the Foreign Office but its determination, and the manner in which it has conducted its business through its agents. My hon. Friend the Minister comes new to his responsibilities. I ask him to bear those comments in mind.

Sudden deportation and confiscation of property had a catastrophic effect on the livelihood of the Britishers. A system of compensation was set up in acknowledgment of that fact. Happy relations now exist between this country and Egypt, a country which, both before and after the Nasser regime, has always been considered to be a good friend of ours. Good relations were restored with the 1959 agreement, signed by te two Governments, which was meant to restore law and order, and fairness, with regard to compensation, for those British nationals who had been affected as a consequence of the Suez affair.

The trouble stems from the 1959 agreement, however, and more particularly from the interpretation and implementation of its terms. The Forsyth family appreciate the fact that rights are not conveyed to individual citizens by agreements between states. However, the Government entered into the treaty to safeguard the property interests of the British citizens upon

whom Egyptian wrath and revenge had understandably fallen in reprisal for the use of military force against Egypt by the then British Government.

The Government have obligations and a strong moral duty towards the British subjects involved. Regrettably, I do not think that the Government have fulfilled their responsibilities adequately. Too often, in reassuring correspondence with me, the Department has shown the face of Dr. Jekyll. Those more personally affected have seen the face of Mr. Hyde.

The first move of the Foreign Office was to introduce a private company to conduct the necessary procedures in Egypt. The company was called Toplis and Harding. It sounds like a television serial. The Government were well aware that that company, destined to handle the property of absent owners at a total value running into tens of millions of pounds, was newly formed and had a capital of only £500. Throughout the resulting chaos the Government remained detached, although deeming it necessary to provide public funds to sustain the company in circumstances that one can only call deplorable.

The financial support continued despite the fact that the company itself was sequestrated by the Egyptian authorities because of financial irregularities in the conduct of its affairs. I do not want to seek parliamentary privilege, but I could go further and describe those financial irregularities in more graphic terms. As losses mounted to the clients of the creature created by the Foreign Office, there was no Government intervention. Indeed, dismayed Britishers were advised to seek redress, by their own means, through the Egyptian courts.

The principal bone of contention is the former home near Cairo of the Forsyth family, a property having a substantial value in Egypt. I see that my hon. Friend's advisers have just taken up their positions. I choose my words advisedly. The company was a creature set up by the Foreign Office as an agent designed to do what the British Government had agreed to do as a result of the agreement with the Egyptian Government, and the Foreign Office walked away from its responsibilities. The company was subject to a degree of financial irregularity that the Foreign Office should have spotted much sooner.

After the official Egyptian confiscation of the Forsyth property it was taken over by Egyptian military forces—here we see how life is lived in other countries—and later provided as a residence for an Egyptian High Court judge. The influence of that judge was great, because his brother was Vice President of Egypt, and head of the Egyptian armed forces, General Hakim Amer. The judge died in 1972 and General Amer died in circumstances similar to those in which Field Marshal Rommel died. The family of the judge remain in occupation of the Forsyth property until now but ceased to pay any rent as from 1966. Instead, they laid claim to outright possession of the property using forged documents. They put forward a further claim to ownership on the grounds of so-called "prescriptive rights."

These events have been the subject of litigation in Cairo for the past 10 years. I do not want to make a mockery of the debate—Forsyth is Forsyth, but there is a "Forsyth Saga." That is the scale of my correspondence, let alone that of my constituent, Mr. Forsyth, who has carried on at great expense to himself and with much pain and agony to his family. Some 50 court hearings have been postponed or adjourned in that time. The delays have caused repeated representations by Ministers to their Egyptian counterparts. The astonishing fact is that representations have been made three times at the level of Her Majesty's Secretary of State for Foreign and Commonwealth Affairs—by my noble Friend Lord Carrington, by my right hon. Friend the Member for Cambridgeshire, South-East (Mr. Pym), and by the present Foreign Secretary. On other occasions, representations have been made by my right hon. Friend, our distinguished Leader of the House, but the Egyptians have failed so far to respond in a fitting or satisfactory way.

What has gone wrong? It seems that there has been a conspicuous failure on the part of the Government to adhere to the terms and conditions of the 1959 agreement in a straightforward manner and to ensure that Egypt, as co-signatory, does likewise. Egyptians have sought to exploit and to benefit by holding on to property to which they are not entitled. They even held on to money that was unjustifiably been extracted by the Egyptian fiscal administration from the family's private bank account to the tune of £35,000. That is the behaviour of ordinary individuals in Egypt.

The Forsyth family took advice from solicitors and it was argued, inter alia, that the Government were entitled, under the terms of the 1959 agreement, to insist on the property being restored to the Forsyth family with vacant possession. The Government, by their failure to insist on their rights under the agreement, have deprived the Forsyth family of the right to live in their own home. Instead of facing up to this argument, the Foreign Office has sought to hide behind a form of renunciation which had been signed by my constituent's father, who is now deceased, when a compensation payment had been negotiated through the Foreign Compensation Commission.

I should like to go into some detail as it is important. It is a legal matter. I refer to the claim by the Forsyth family that, when the late Mr. Forsyth was invited to sign the form of renunciation, it was not represented to him by his solicitor that, in signing the form, it was the intention that he would thereby exonerate the Government from discharging their obligations to recover vacant possession of the villa, according to the terms of the agreement. On 2 October 1965, the late Mr. Forsyth signed a form of renunciation stating, inter alia:

> "I hereby renounce and surrender all claims by me arising out of the measures of Egyptianisation and sequestration so far as they have affected my interests in the property set out in Schedule A to the renunciation."

Schedule A defines the late Mr. Forsyth's interest as "capital depreciation of a villa at"—

it then gives the address. His son's submission is that that letter of renunciation did not effectively deprive him, or his late father, of the right to require the Government to enforce the 1959 agreement made between the Government of the United Arab Republic and the Government of the United Kingdom in so far as that agreement provided for the return of all sequestrated British-owned property to its owners.

In other words, in so far as the compensation included the payment of capital depreciation, it was understood to mean compensation for irrecoverable loss of value resulting from the sequestration measures. There is a loss of value to the property because it is occupied by a tenant. As far as the late Mr. Forsyth could see, that could have gone on for years. How was he to know?

[Sir Geoffrey Johnson Smith]

The Foreign Office should recognise that there was no provision in the 1959 agreement for the payment of monetary compensation where the loss could be made good by the return of the property or, in lieu, of vacant possession. Even if it could be said that the form of renunciation effectively extinguished such a right in favour of the Forsyth family, the late Mr. Forsyth was not advised of that before he signed the renunciation form, nor did he intend that he would thereby prejudice his right. Why should that be?

Perhaps the advice that the late Mr. Forsyth was given was faulty. He was represented by solicitors, who had on their staff a person who, before he joined them, had been a member of the Foreign and Commonwealth Office, and the FCO'S legal adviser in Egypt. It is suggested that that person created the concept of compensation, without any legal foundation, but as a formula agreed with the Foreign Compensation Commission. A man cannot go from being a legal adviser in the Foreign Office to advising an independent citizen, because he is bound to be in favour of the interpretation of the Foreign Office. I do not make a charge of dishonesty, but my constituent should be independent of the Foreign Office, as should have been Toplis and Harding.

It is not totally incomprehensible why my constituent has fought his case for many years. I sympathise with his view that the Foreign Office should not appear to hide behind a form of renunciation of claims in such circumstances. It is no good saying that it is a matter for the Egyptian courts. We are concerned about an agreement between the British and Egyptian Government which was signed in 1959. The Foreign Office should insist that the Egyptian Government fulfil their obligations by arranging for the property to be handed over to Mr. Forsyth immediately.

The action was not justiciable in the English court. My constituent cannot take the Foreign Office to court. There are no means of judging which legal interpretation is correct, whether that of the Foreign Office or of my constituent. The Minister will be advised by his legal advisers, whom I have heard say to his predecessors that they are right. However, others disagree profoundly with the interpretation of the Foreign Office.

How can my constituent get justice? The matter has been allowed to continue for too long. If a public inquiry could be held I would ask it to look into Toplis and Harding, which handled my constituent's case and which was in reality a creature of the Foreign Office, and to examine how well the Foreign Office behaved. Was it too distant? Toplis and Harding's record was appalling, and the FCO should not have tolerated its inefficiencies and practices. As I mentioned, subsequently it was accused of dishonest practices.

An inquiry would reveal how difficult it is for citizens to obtain redress in such matters. The Parliamentary Commissioner cannot deal with it. So prolonged were the activities of Toplis and Harding that by the time my constituent could sue, he had run out of time. He is right, therefore, to feel frustrated.

The Government are dealing with a country with which we are now on friendly terms. It is a recipient of British financial help in many areas, including trade, culture and defence. Why cannot the same care and understanding of Egypt's special needs be extended to my constituent, whose family was a victim of hostilities initiated by his own country? I beg my hon. Friend to assure me that the Government will make full representations along the lines I have suggested.

12.29 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Renton): I understand the deep concern of my hon. Friend and neighbour in Sussex the Member for Wealden (Sir G. Johnson-Smith) for the cares of his constituent. After all, I inherited many of them from him at the last election in East Grinstead. They still speak with great affection of the way in which he looked after them. Therefore, I fully understand that it is because of his strong passion for the worries of Mr. Douglas Forsyth that he has raised this matter on an Adjournment debate. He spoke passionately about the problems which his constituent, Mr. Douglas Forsyth, and his late father have faced in securing redress and compensation for property losses in Egypt, and I have much sympathy with what he said. But I must tell him, as he knows well, that there has been voluminous correspondence on this subject over the years. My hon. Friend's constituent has been assiduous in keeping his problems and concerns before us, and my hon. Friend has been equally assiduous.

We have much sympathy for Mr. Forsyth, and we acknowledge that he has encountered great difficulty in securing repossession of the villa which he owns in Heliopolis outside Cairo. But I hope to demonstrate that there is much common ground between the Government and my hon. Friend on this matter.

The Forsyth family were not alone in the losses which they suffered in 1956. Most of the British community in Egypt suffered similar misfortune following the conflict of that year. Many British people were expelled from Egypt and had their property sequestrated. It was against that background that the Government reached an agreement with the Egyptian authorities in 1959, which provided for the payment of compensation and the return of British property to its former owners.

The villa owned by Mr. Douglas Forsyth's father was, as my hon. Friend said, sequestrated in 1956. It was then let by the Egyptian Sequestrator General on 1 May 1957 at a low rate on an agreement which provided for 15 days' notice of termination on either side. The villa was desequestrated by the Egyptian authorities on 1 March 1960, under the terms of the 1959 agreement, but the Sequestrator General did not give the tenant notice to quit at that time. As a result, the tenant remains in occupation to this day. As my hon. Friend is aware, tenants have considerable legal protection in Egypt, and it is extremely difficult to secure their eviction.

As to the effects of the form of renunciation, I assure my hon. Friend that we do not rely on that form in deciding what representations to make. We have made many representations irrespective of the effect of the form of renunciation that was signed by Mr. Forsyth's father.

I must place it on record that the Forsyth family has not been ungenerously treated in the matter of compensation. Mr. Forsyth submitted several claims to the Foreign Compensation Commission under the provisions of the Orders in Council relating to the distribution of the compensation that had been received from the Egyptian Government. A total of £79,914 was awarded to him as a result and accepted by him in full settlement of his

claims. We do not defend Toplis and Harding. We reached a settlement with Mr. Forsyth in part because of the failure of Toplis and Harding to act properly.

Included in the total was a payment of more than £3,000 in settlement of a claim for loss in value of his villa resulting from the fact that it had been returned to him with a sitting tenant. The total of nearly £80,000 compensation was a considerable sum 20 years ago, and I should mention that Mr. Forsyth's late father also received a grant of £30,000 from the Egyptian Grants Committee for the comparative hardship he suffered as a refugee from Egypt.

The correspondence that the Foreign and Commonwealth Office has received from my hon. Friend's constituent shows that there has been some misunderstanding of the position of the Foreign Compensation Commission. I take this opportunity to clarify this. The FCC was established under the Foreign Compensation Act 1950 with two principal functions. The first is the administrative function of registering claims. The second is the judicial and administrative functions involved in awarding and distributing payments of lump sum compensation received by Her Majesty's Government from other Governments.

In exercising the latter function, the Commission has the task of inviting claims to participate in such compensation, judicially determining these claims, deciding which are admissible and which are to be rejected, and finally distributing the moneys among the successful claimants. Although the Secretary of State for Foreign and Commonwealth Affairs retains some responsibility for its work and funding, the commission is wholly independent of the Government when it acts in its judicial capacity in determining claims.

The members of the commission and its staff have always tackled the difficult tasks assigned to them with dedication and conscientiousness. In connection with these Egyptian affairs, they received no fewer than 9,000 claims, made 15,000 adjudications and determinations and distributed to claimants sums in excess of £31 million. This was no small achievement and it must be said that most claimants were very grateful for their work.

My hon. Friend touched on the interpretation of the 1959 agreement. My hon. Friend's constituent and his lawyers contend that the Egyptian Government are in breach of the 1959 agreement because the sitting tenant was not removed before the family's villa was returned to them. As my hon. Friend is aware, I have received different advice on this particular point. The two view points have been set out fully in the correspondence that has taken place. It has not proved possible to harmonise these views, and I do not think it would serve any useful purpose on this occasion to re-state the different positions. Nevertheless, I emphasise that this difference of view has not lessened in the slightest degree the pressure that we have exerted on the Egyptian Government on behalf of Mr. Forsyth.

My hon. Friend has understandably referred to the expense and frustration that his constituent has suffered, both as a result of not having possession of his villa, and as a result of the court action in Egypt. I sympathise with much of what my hon. Friend said. In the court case for full possession of the villa, his constituent has been engaged in a legal action that has lasted over 10 years. We are all familiar with the law's delays, but this delay is undoubtedly too long.

My hon. Friend referred to the Forsyth saga, but in reading this file I was reminded more of Charles Dickens' "Bleak House" and the problems in the last century of getting cases through Chancery.

We have told the Egyptian authorities of our feelings on this point and have asked them to do what they can to encourage those responsible for the administration of their courts to speed matters up.

There is, however, a strict limit to what any Egyptian Government can do to help us or our citizens in the case of an action that is before the courts. The courts in Egypt are as proud and jealous of their independence from the executive arm of Government as our own courts are.

Sir Geoffrey Johnson Smith: My submission is that we should not leave this matter to the courts. Is this not a matter that, under the agreement of 1959, should be dealt with on a Government-to-Government basis?

Mr. Renton: That brings us back to the interpretation of that agreement, on which there is a difference of opinion. It is not appropriate to go into that further now.

I leave it to my hon. Friend to imagine what the reaction of a court in this country would be were we as a Government to seek to interfere in anycase before them that involved a foreign national. I suggest that the reaction of the court would be robust, and rightly so.

It is also important to remember that the court case initiated by my hon. Friend's constituent is not without its complications. His constituent's father did not himself take any court action in this connection. It was only five years after his father's death in 1969 and some 14 years after the official desequestration of the villa that his constituent started the court action. That itself was quite a delay. As I understand it, the case has been complicated by counter-actions on the part of the tenant which had to be disposed of before the case of my hon. Friend's constituent could be resolved.

In the event, despite the delays, some progress has been made. Mr. Forsyth's ownership of the property was reaffirmed by the courts in October 1981. The courts have appointed a legal expert to help them unravel the facts of this case. In October of last year the court assessed the rent which the tenant should pay for the villa from 1 December 1969 to 31 December 1984. These are small but important gains. There is now a prospect that the legal expert who inspected the villa on 5 January—two weeks ago—will submit his report in the immediate future and that the case itself may be settled during the course of this year.

The Government are doing all they can to help my hon. Friend's constituent in this matter. We shall continue to do so. We believe that the best method of helping is through diplomatic representations. We hope they will prove effective.

As I have already indicated, we have made many representations to the Egyptian authorities on behalf of my hon. Friend's constituent. His case has been mentioned during the course of the most recent ministerial visits to Egypt. For example, my right hon. and learned Friend the Secretary of State mentioned it when he saw the Egyptian Foreign Minister in January 1984. The British embassy in Cairo are in constant touch with Mr. Forsyth's legal adviser about the progress of both court cases. We have done, and will continue to do, everything we can to help him.

If my hon. Friend would like to bring Mr. Forsyth to meet me to talk about this matter, I should be ready to see

[Mr. Renton]

my hon. Friend and to meet Mr. Forsyth at the same time, but on that occasion I do not believe that it would be profitable to have a debate about the strictly legal issues which are at present before the Egyptian courts. I hope that my hon. Friend will accept this point.

The Government have been very active on Mr. Forsyth's behalf. We have brought his concerns to the attention of the Egyptian Government on many occasions, but it is, alas, neither within our gift nor that of the Egyptian Government to settle the matter of full repossession and control of his villa. That case is before the Egyptian courts and it will be determined there, but we have made it very clear to the Egyptian Government that we feel there have been too many delays in reaching a decision——

The Question having been proposed after Ten o'clock on Wednesday evening, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at eighteen minutes to One o'clock.

House of Commons

Thursday 24 January 1985

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NATIONAL FINANCE

Inflation

1. **Mr. Foulkes** asked the Chancellor of the Exchequer if, in the light of the recent falls in the level of the pound sterling, he intends to revise his forecast for inflation this year.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Inflation in the fourth quarter 1984 was 4¾ per cent., as forecast in the Autumn Statement. A forecast for inflation in 1985 will be given in the Budget.

Mr. Foulkes: Will that forecast of inflation include the effects of the recently published White Paper on public expenditure, which will put up rents, rates, bus and rail fares, prescription charges, school meal prices and gas and electricity prices? Is the right hon. Gentleman aware that those increases are worrying the people whom the Prime Minister and Chancellor never seem to meet?

Mr. Lawson: There is no solution to the problem of inflation by providing subsidies for any of the items to which the hon. Gentleman referred. Gas and electricity prices are scheduled to rise broadly in line with inflation, and not any higher—in other words, there will be no increase in real terms—in the coming year. The White Paper on public expenditure will be fully incorporated in any forecast figure that is given.

Mr. Forman: Will my right hon. Friend confirm that not only his forecast of inflation but his best hopes for unemployment coming down are critically dependent on real pay restraint?

Mr. Lawson: My hon. Friend is absolutely right in pointing to the importance of real pay restraint. Its importance lies not so much in the sphere of inflation, but in reducing the level of unemployment, which we all want to see.

Mr. J. Enoch Powell: Will the right hon. Gentleman confirm that a fall in the rate of exchange of the pound cannot by itself cause inflation?

Mr. Lawson: The right hon. Gentleman is right in the main. Indeed, it is striking that the fall in the sterling-dollar exchange rate through the surge in the dollar against all currencies in the last year has been accompanied by a fall, not a rise, in inflation. However, it affects monetary conditions, and those conditions as a whole must be taken firmly into account in pursuing a sound anti-inflationary policy, to which we are committed.

Mr. Phillip Oppenheim: Does my right hon. Friend agree that we would be talking, not about a one dollar pound, but about a 50 cent pound if, in the last five years, we had experienced the debts and inflation that Britain suffered under the last Labour Government?

Mr. Lawson: My hon. Friend is absolutely right. As I said, we have been seeing in the last year, and even further back, an extraordinary surge in the dollar, to a grossly over-valued level, against all other currencies. However, if one looks at the pound in terms of the weighted index of non-dollar currencies, one sees that under the Conservatives, since 1979, the pound has fallen by 7 per cent., whereas during the last Labour Administration it fell by 23 per cent.

Mr. Robert Sheldon: The Chancellor's policy used to be that the market should decide the level of the pound, even when it went as high as $2·40. As he has intervened in the most direct manner possible through the minimum lending rate and the setting of that rate, may I ask him to explain just what is his policy, because, heaven knows, none of us understands it?

Mr. Lawson: The Government's policy is to maintain firm downward pressure on inflation, and it was in that context that the rate of interest was increased recently. As for letting the markets decide, the markets do decide, but the decision taken at the meeting of Finance Ministers and central bank governors of the five leading industrialised countries in Washington last week was that perhaps occasionally it was time for us to be in the market as well.

Mr. Kenneth Carlisle: Is it not true that even if inflation remains at 5 per cent. prices will still double every 14 years and that that is unacceptable for a country which seeks stability, so we must try to reduce the rate of inflation further?

Mr. Lawson: My hon. Friend is right. We are determined to pursue the policy of getting inflation down still further. I am sure that we shall succeed in doing so by the same policies that have got inflation down from the rising and double figures that we inherited from the Opposition to the 5 per cent. that it is today—indeed, it is rather below 5 per cent.

Mr. Blair: Why does the Chancellor of the Exchequer persist in the ludicrous dogma that Government intervention is always wrong and market forces are always right, which he does not believe himself? It was not market forces that intervened to put up interest rates; it was not market forces that set the oil price above the market rate to increase Government oil revenues; and it was not market forces that propped up Johnson Matthey Bankers Ltd. When will the Government intervene positively in the economy to create jobs, and not just to mop up the consequences of their own incompetence?

Mr. Lawson: Nobody is always right, not even the hon. Gentleman. I have to tell him two things. Experience shows that, on the whole, it is easier for markets to correct mistakes, even though they make them, than it is for interventionist Governments to do so. The level of employment in this country over the past 12 months has been rising, whereas in our main European competitor countries it has been falling.

Value Added Tax

2. **Mr. Yeo** asked the Chancellor of the Exchequer what is the annual cost of collecting value added tax, as a percentage of revenue received, from registered traders with a taxable turnover of less than £50,000.

The Minister of State, Treasury (Mr. Barney Hayhoe): I regret that no reliable estimate is available.

Mr. Yeo: Does my hon. Friend agree that smaller businesses have a particularly large potential for job creation and that for them the administrative and financial burden of VAT is particularly onerous? In view of that, a very cost-effective form of relief might be to exempt from VAT businesses with a turnover of less than £50,000.

Mr. Hayhoe: I agree with my hon. Friend about the importance of small businesses in job creation and about the importance of the Government reducing the bureaucratic loads that are placed upon them, but it would be misleading to say that the change that my hon. Friend proposes would be universally welcomed, and, anyway, it would be in breach of our European Community undertakings.

Mr. Campbell-Savours: Is it not true that newspaper organisations will be faced with substantial additional charges by the imposition of VAT? Has the Minister seen the Price Waterhouse and Co. report, which suggests that 7,000 jobs will be lost in the industry if VAT is imposed, and that 10 dailies and 100 weeklies will close? Will the hon. Gentleman do something to ensure that VAT is not imposed in the way that is suggested?

Mr. Hayhoe: I do not think that the papers, certainly the nationals, would welcome being described as small traders with a turnover of less than £50,000, which is what the question is about. More generally, the hon. Gentleman will know that it would be wholly improper to seek to anticipate in any way the Budget of my right hon. Friend the Chancellor.

Infrastructure (Public Expenditure)

3. **Mr. Dixon** asked the Chancellor of the Exchequer how many representations he has received regarding the level of public expenditure on the infrastructure.

The Chief Secretary to the Treasury (Mr. Peter Rees): Several.

Mr. Dixon: Bearing that reply in mind, what possible justification can the Government have for slashing almost £1 billion from capital expenditure next year when every objective report has suggested that our infrastructure is crumbling? Has the right hon. and learned Gentleman seen the latest report by the committee chaired by the Duke of Edinburgh, which suggests that we should spend £50 billion to put our housing stock in order?

Mr. Rees: Perhaps the hon. Gentleman overlooks the fact that public and private sector investment is running at a record level of £55 billion this year. If we are to bandy about reports, I should like to remind the House of the OECD survey of the United Kingdom, which said, that the "main problem for the United Kingdom is unlikely to stem from an insufficient quantity of investment but rather from the inefficient use of capital or poor quality of investment."

Mr. Hayes: Does my right hon. and learned Friend believe that the modest proposals of the Henley Centre for Forecasting on selective investment in the infrastructure, based on the Treasury model, are in conflict with Government policy? They suggest that £1 billion invested per year over a five-year period would create between 70,000 and 100,000 jobs in construction, would cost £8,000 a job, would have an input content of 7 per cent. and, most important of all, would increase the money stock per year by less than 0·5 per cent.

Mr. Rees: In the long term, we feel that the efficiency and prosperity of the economy, and therefore sustainable jobs, would be better created by cuts in income tax.

Mr. Wainwright: Will the Chief Secretary tell the House to what degree Government spending on the infrastructure falls short of the annual depreciation and obsolescence of it?

Mr. Rees: No, I cannot, because we are dealing with a myriad of assets. However, I can tell the House that expenditure on national roads, for example, has increased since 1979-80 by 16 per cent., which is £104 million.

Mr. John Townend: Will my right hon. and learned Friend accept that in the past there have been numerous capital projects in the public sector which have made no adequate return on investment; in particular, tower blocks of flats which are now being pulled down, and projects which have overrun costs, such as the Humber bridge and the Isle of Grain power station?

Mr. Rees: My hon. Friend makes a sound point. Not all capital projects necessarily show a good rate of return. Each project has to be assessed on its merits.

Mr. Hattersley: If we are right to assume from the Chief Secretary's answer that he accepts the judgment of those independent inquiries that something needs to be done about Britain's infrastructure, how does he justify tables 2.9 and 2.10 of the White Paper, which makes it clear that the Government are to cut capital expenditure in these sectors?

Mr. Rees: The right hon. Gentleman overlooks the fact that there is a private sector, an error into which his party frequently falls. The main thrust of our policy is to give more scope for manoeuvre in the private sector, which is increasing its investment every year.

Johnson Matthey Bankers

4. **Mr. Campbell-Savours** asked the Chancellor of the Exchequer whether he will estimate the potential cost to Her Majesty's Government of the Johnson Matthey resuce operation.

The Economic Secretary to the Treasury (Mr. Ian Stewart): None, Sir. Any cost will be met by the banking department of the Bank of England.

Mr. Campbell-Savours: Is it not true that the rescuing banks can offset any of their losses on the guarantee against tax? Is that not a potential cost to the Exchequer, and why did the Chancellor of the Exchequer not admit that when he made a statement on 14 December, when he deliberately misled the House by denying it?

Mr. Speaker: Order. The hon. Gentleman must not say "deliberately misled". He may use the word "inadvertently".

Mr. Stewart: My right hon. Friend did not mislead the House on that point. Any call under a guarantee of

indemnity in commercial practices is always allowable as a charge against tax and this case is no different. The question of any call under such an indemnity does not yet arise.

Mr. Skinner: Is the hon. Gentleman aware that this is the second occasion when the Government have allowed banks to take part in tax indemnities on a large scale—thereby putting the burden on every other taxpayer—when taking part in rescuing banks? The first occasion was when it was suggested that they could rescue the central American banks in respect of Argentina and other countries, which resulted in a £200 million loss to the taxpayers of Britain. Now, to save Johnson Matthey, the Government have given a nod and a wink to all those banks which refuse to contribute to the rescue so that they will not have to pay a penny piece themselves. That is hoodwinking the British electorate, and does it not mean that there is one law for the banks and another for the British people, many of whom are up to their necks in debt as a result of this Government's policies?

Mr. Speaker: Order. It does not help to have long supplementary questions, as they keep out other hon. Members.

Mr. Stewart: It is interesting to hear the hon. Gentleman's comments on the lifeboat and rescue operations, similar operations to which were conducted by the Labour Government in the 1970s. I do not recall him making the same comments then. The operation relating to the rescue of Johnson Matthey was conducted because the Bank of England Act 1946, also introduced by a Labour Government, gives the Bank of England freedom to use its own resources.

Pound Sterling

5. **Mr. James Hamilton** asked the Chancellor of the Exchequer what is the current real value of the pound sterling expressed as a percentage of its real value as at January 1979.

Mr. Ian Stewart: The domestic purchasing power of the pound is 58 per cent. of what it was in January 1979.

Mr. Hamilton: Is that not a disgraceful answer? Will the Minister recognise that since the Conservatives came to power in 1979 there has been a relentless reduction in the purchasing power of the pound? If he will not listen to Her Majesty's Opposition, will he pay attention to Lord Stockton, who yesterday advised the Government to depart from their monetarist policy? If they do not, then, like the Belgrano, they will be sunk.

Mr. Stewart: I am surprised that the hon. Gentleman, if he wants to comment on the purchasing power of the pound under this Government, did not choose May 1979 as the starting date for his question. Under this Government during the last five years the purchasing power of the pound has fallen by about 40 per cent. It fell by well over 50 per cent. under the Labour Government whom he supported. The last Conservative Government was the first since the 1950s to have an inflation rate lower than that of the preceding Government. This Government will achieve the same.

Mr. Higgins: As the question referred to a comparison with 1979, will my hon. Friend say to what extent the decline in the value of the pound was due to the highly inflationary wage settlements which had been agreed at that time? Does he agree that the decline in the value of the pound was, therefore, a hangover from the Labour Government?

Mr. Stewart: My right hon. Friend is absolutely right to point out that the bulk of inflation under the Conservative Government which took office in 1979 took place in the very early years when we had to clear up the mess that had been left behind by the Labour Government.

Mr. Freud: Will the Economic Secretary accept that the strength of the dollar makes it extremely attractive to American galleries and collectors to purchase British works of art? Will he consider raising the allocation of money available for acceptances in lieu of tax?

Mr. Stewart: I do not have responsibility for that, but, of course, the exchange rate between sterling and the dollar also makes it attractive for British companies to sell into the American market, and I hope that they will do so.

Tax Cuts (Job Creation)

6. **Mr. Baldry** asked the Chancellor of the Exchequer how he measures the impact of tax cuts on the creation of new jobs.

Mr. Lawson: New jobs are created by successful companies and eager workers. Lower taxes encourage enterprise and effort and so help to secure that success.

Mr. Baldry: I do not suppose that it has gone unnoticed by the man in the Banbury market place that those countries which have thriving economies—[HON. MEMBERS: "Question."]—and which are creating jobs, such as Taiwan, Singapore and South Korea, which were referred to yesterday by Lord Stockton, are exactly the countries that have low tax thresholds. What seems to be causing concern to some commentators——

Mr. Speaker: Order. May I ask the hon. Gentleman to ask a question and not to give a preamble of his own views?

Mr. Baldry: Is my right hon. Friend aware that what is of concern to some commentators is that as soon as people get more money in their pockets they will spend it on imports? Does he agree that that matter is subject to objective test? Will he tell us what inquiries the Treasury is making?

Mr. Lawson: My hon. Friend is right in saying that a proportion of any increase in disposable income, whether it is achieved through an increase in pay or through a reduction in taxes, will be spent on imports. Of course, we do a thriving trade both ways and our balance of payments is likely to be in balance, or even in surplus, this year, despite the effects of the coal strike. These matters are taken into account when the Treasury starts to make its forecast.

As for low taxes, my hon. Friend is on to an even more important point. It is striking that, apart from the countries which he mentioned, among the major industrialised countries in the world the two most successful, the United States and Japan, are the ones which have the lowest levels of taxation as a proportion of gross domestic product.

Mr. Tony Lloyd: Will the Chancellor of the Exchequer tell us how many jobs will be created by means of tax cuts? More important, will he tell us how many

more jobs will be destroyed by public spending cuts in housing and all the other areas of public provision? Will he say how many more jobs will be lost because of expenditure cuts than will be gained by giving tax cuts to his rich friends?

Mr. Lawson: The Government propose that public expenditure should remain steady in real terms over a period of years and should not be reduced. That is what the Government's plans clearly show. It is significant that we have had steady growth at about 3 per cent. a year since the trough of the recession in 1981. The number of those who are employed or self-employed in Britain is growing, whereas it is falling in many of the countries of our European competitors.

Mr. Nicholls: Does my right hon. Friend agree that it is untrue to suggest that there is no academic opinion in support of his view that tax cuts help employment prospects? Is he aware of the work done by the employment research institute of Warwick university, which concluded that tax cuts were among the most effective way of promoting proper employment prospects and reducing inflation? It concluded that tax cuts constituted a substantially more effective way of achieving that end than public sector expenditure?

Mr. Lawson: My hon. Friend is correct. The conclusion to which he refers has been shown by Warwick university's model and study and by Liverpool university's model and study. Of course, different computer models produce different results. I regard all computer simulations with a considerable pinch of salt. These models tend to concentrate on the demand side of the economy rather than on the supply side. Secondly, we cannot buy jobs. If that were possible, it would be a simple matter for every country with unemployment to buy its way out. We shall create jobs and reduce unemployment by having a more dynamic economy, by improving the supply side and especially by reducing rigidities in the labour market.

Dr. McDonald: Is the right hon. Gentleman aware that the results of the study of the London Business School show unequivocally on a pound-for-pound basis that public spending creates more jobs than do tax cuts? Will he send the Government's chief economic adviser back to the London Business School so that he can catch up with its latest economic thinking, and will the right hon. Gentleman then take his advice?

Mr. Lawson: The London Business School's simulation examined Government employment, not Government spending. It found that by spending more money on recruiting more civil servants we should get more people in jobs, which is obvious. If the hon. Lady thinks that that is the best way of creating a strong economy, I must tell her that she is mistaken.

Taxation and Public Expenditure

7. **Mr. Dykes** asked the Chancellor of the Exchequer if he has made specific calculations of the effects on unemployment and demand from the operation of the multiplier in *(a)* direct tax reductions and *(b)* additional public expenditure.

Mr. Peter Rees: Tax cuts encourage growth of employment by helping to improve the performance of the economy. Permanent new jobs cannot be bought by injecting additional demand into the economy.

Mr. Dykes: As the net figures for capital formation in the public and private sectors are not the same as the gross figures that the Government keep using, and as they show that we are seriously under-investing, why do my right hon. and learned Friend and my right hon. Friend the Chancellor of the Exchequer continue to indulge in fantasy notions of mass entrepreneurship on a grand scale rather than accept that every pound of additional capital spending in the public and private sectors is bound to produce six or more new jobs than would every extra pound of reduced taxation?

Mr. Rees: I do not think that there will be universal acceptance of my hon. Friend's statistic. As he is concerned with public investment, or investment generally, I remind him that total fixed investment has risen by about 8 per cent. since last year.

Mr. Winnick: Despite all the rhetoric, why does the right hon. and learned Gentleman not admit that the curse and misery of mass unemployment will not be ended until the Government leave office?

Mr. Rees: I am tempted to borrow the expression that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) uses on these occasions: fatuous questions are likely only to elicit fatuous answers.

Corporation Tax

8. **Mr. Fallon** asked the Chancellor of the Exchequer whether he will estimate the effect on jobs of the changes in corporation tax arising out of his 1984 Budget.

Mr. Ian Stewart: Precise estimates are not possible, but removing distortions against the employment of labour is bound to be helpful to jobs.

Mr. Fallon: Will my hon. Friend confirm that these changes have been applauded by British industry? Will he take further steps to ensure that investment decisions by industry are increasingly taken on commercial and not fiscal grounds?

Mr. Stewart: My hon. Friend is correct. The changes in the 1984 Budget in corporation tax, including the reduction in the cost of employing labour and the abolition of the national insurance surcharge, have made the balance between the choice of employing labour or using machinery much more even and have removed major distortions in the system. The corporation tax and capital allowances changes are designed to induce the best allocation of resources in the economy. That is their main objective.

Mr. Wainwright: Is the Economic Secretary aware that, unless the Government quickly upgrade their new system of annual capital allowances for depreciation, many firms will simply not have the necessary resources after tax to provide the jobs they could otherwise provide? Will the hon. Gentleman take steps, therefore, to bring these allowances a little closer to the reality of industrial obsolescence?

Mr. Stewart: I believe that the new allowance system that we have introduced has been widely welcomed by industry because it has been coupled with a sharp reduction in the rates of corporation tax. The hon. Gentleman referred to a lack of resources for investment, but I believe

that profitable and successful companies will find that, at a lower tax rate, they will have an even greater incentive to invest for the future.

Economic Growth

10. **Mr. Bellingham** asked the Chancellor of the Exchequer if he is satisfied with the present level of growth in the economy.

Mr. Lawson: Gross domestic product rose by about 1½ per cent. in the year to the third quarter of 1984.

Mr. Bellingham: Is my right hon. Friend aware that, because of this year's excellent growth rate, there has been a record net increase in the number of new firms? Does he agree that, if it were not for the highly damaging and totally unjustified miners' strike, there would be even better growth and less unemployment?

Mr. Lawson: My hon. Friend is correct. The coal strike temporarily dragged down our rate of growth during 1984. Had it not been for the strike, the growth rate in the year to the third quarter of 1984 would have been not 1½ per cent., but about 3 per cent.—equal to the highest increase in Europe. The coal strike is damaging jobs, investment and the economy. Fortunately, it looks as though it will not be too long before this damaging strike is over.

Mr. Fatchett: Will the Chancellor explain to the country why, if he has such faith in his own economic policies, his public expenditure White paper does not predict a decrease in the unemployment level, but predicts that during the next few years unemployment will remain over the 3 million figure?

Mr. Lawson: The unemployment figures in the White Paper are not a prediction. The figures cited in White papers produced by previous Governments were also not predictions. The figures are a conventional assumption for the purpose of calculating benefits and other elements.

Mr. Holt: Does my right hon. Friend accept that, although he may be satisfied with the present level of growth in the economy as a whole, that faith is not sustained on a national basis? What is my right hon. Friend doing for the north of England, compared with the south of England, to ensure that there is a greater stimulation of growth in the area?

Mr. Lawson: I would, of course, be happy to see a higher rate of growth. I hope that that will be possible. I believe that it certainly will be possible as soon as the coal strike is over. It is especially important that we sustain the rate of growth, as we have done for more than four years. I shall continue to do that. I am conscious of the feeling in some parts of the north that people there have been left out, but I am convinced that the policies that are right for the United Kingdom as a whole are right for the north of England.

Mr. Lofthouse: When the Chancellor was in America explaining the growth of the economy, was he able to explain to the Americans that the miners' strike costs him between £90 million and £100 million a week, and did he say why he thought that was a worthwhile economic exercise?

Mr. Lawson: The Americans to whom I have spoken, and many other people overseas, are astonished that any trade union anywhere in the free world would maintain the proposition that uneconomic pits should be kept open, however large their losses.

Mr. Soames: Does my right hon. Friend agree that no economic indicator is a replacement for a pro-business culture? Does he agree that we really need a much more vigorous and enterprising economy?

Mr. Lawson: That is correct. That is the secret of success. It is what the Americans have found, and that is the direction in which we in this country are going.

Mr. Ron Brown: The Chancellor has said much about uneconomic pits. How can he justify an uneconomic Government? Is it simply a matter of class rule, is it simply the bankers' ethic, or is it something special that he can explain to us? We listen to the right hon. Gentleman's diatribes week in and week out.

Mr. Lawson: I suspect that the hon. Gentleman is referring to Johnson Matthey Bankers. My hon. Friend the Economic Secretary has already answered a question on that matter. It is certainly not the policy of the Bank of England to bail out any bank irrespective of the circumstances.

National Economic Development Council

12. **Mr. Robert Hughes** asked the Chancellor of the Exchequer if he will make a statement regarding the reports presented to the meeting of the National Economic Development Council on 9 January.

Mr. Lawson: The council had a lengthy and useful discussion on three reports, all of which have been made publicly available.

Mr. Hughes: Does the Chancellor accept the accuracy of the reports that our infrastructure is in need of urgent repair?

Mr. Lawson: I certainly do not accept the accuracy of the figures bandied about in the NEDO report. However, the Government are taking a new look at the whole of the public estate so as to be able to form a better assessment of the state of what is known as the built infrastructure. Of the two elements of the infrastructure most frequently alluded to, road building will increase substantially next year in real terms, and so will investment in the water industry.

Mr. Latham: How did my right hon. Friend react to the excellent housekeeping point made in one of those reports that the longer one leaves basic maintenance work on the infrastructure, the more it will cost?

Mr. Lawson: I share my hon. Friend's belief in good housekeeping. My hon. Friend has mentioned one aspect of good housekeeping; another aspect is balancing the Government's books.

Mr. Bidwell: Will the right hon. Gentleman explain to the NEDC whether he has changed his mind about the mining dispute being a good investment?

Mr. Lawson: I never said that the mining dispute was a good investment. [HON. MEMBERS: "Oh."] I said that the money spent in resisting the strike was a good investment, as indeed it is. The sooner the strike—which is none of our making—is over, the better.

Mr. Walden: Does my right hon. Friend agree that recent events on the exchange markets remind us of the

underlying fragility of the recovery in this country and of the fact that injections of public expenditure, however worthy, may impede that recovery still further?

Mr. Lawson: My hon. Friend makes a very important point. One of the factors behind the recent turbulence in the foreign exchange market was the fear in the markets that the Government might be about to relax their grip on inflation by indulging in excessive public expenditure.

Mr. Terry Davis: As the Chancellor has just repeated for a second time his comment that the Government still think that the miners' strike is a worthwhile investment for the Government, can he tell how much has been invested?

Mr. Lawson: It would be helpful if the hon. Gentleman listened to what I said before asking a question.

Adult Education (VAT)

13. **Mr. Freud** asked the Chancellor of the Exchequer if he will estimate what sum would be lost to his Department if the liability to value added tax of some adult education courses were ended for the financial year 1985-86; and if he will make a statement.

Mr. Hayhoe: I regret that this information is not available.

Mr. Freud: I cannot thank the hon. Gentleman for that reply. With the minimal income that he receives from VAT on adult education, with its selective imposition, is there not a strong incentive for him to reconsider the matter and abolish it, so that adult education may flourish, as was promised in his party's manifesto?

Mr. Hayhoe: The law on this matter has not changed, and the vast majority of adult education is outside the scope of VAT.

Mr. Greenway: Will my hon. Friend bear in mind the value of adult education as a medium for retraining people for jobs and as a means of giving self-dignity to unemployed and elderly people? Will he see whether the whole of adult education can be exempted from VAT?

Mr. Hayhoe: There are problems. Recreational and sports courses are subject to VAT when provided by the private sector. It would therefore be unfair not to impose VAT on local government when it is in direct competition with the private sector. Such courses have been subject to VAT since the beginning.

Mr. Loyden: Does the Minister agree that it is disgraceful that the Department has not monitored the effects of its decision on adult education, especially as local authorities have already assessed the effect of VAT on adult education courses?

Mr. Hayhoe: There has been no change in the law or in the practice of Customs and Excise in implementing it. What has changed is that some local education authorities have increased their prices and are competing directly with similar courses in the private sector. There should be a similar tax regime for both.

Departmental Costs

14. **Mr. Thurnham** asked the Chancellor of the Exchequer what further action he is taking to control the total running costs of his Department.

Mr. Hayhoe: The Treasury's plans were set out in the White Papers on financial management, which were published in September 1983 and July 1984. Their objective is to keep running costs to the minimum to do the work effectively.

Mr. Thurnham: Will my hon. Friend confirm that he is doing all in his power to achieve savings through the privatisation of public sector operations?

Mr. Hayhoe: Yes, I can give my hon. Friend that assurance. In the Treasury, domestic cleaning services and some other supporting services such as laundry and press cuttings are already contracted out. The central computer and telecommunications agency and the Chessington computer centre use the services of computer consultants and software houses.

Mr. Haynes: As the hon. Gentleman is the same Minister who used to come to the Dispatch Box bragging about laying off civil servants, will he say whether the reduction in numbers means more people going on the dole because they have lost their jobs in his Department and others?

Mr. Hayhoe: No, it means increased effectiveness and efficiency in the public service and better value for the taxpayers' money. I should have thought that that would be supported in all parts of the House.

Employment and Inflation

15. **Mr. Dubs** asked the Chancellor of the Exchequer what is his assessment of the effect of the recent fall in the pound sterling exchange rate on employment and inflation.

Mr. Lawson: The Government have taken firm action to keep inflation under control. This will help the growth of employment, though moderation of wage settlements remains vital if new jobs are to be generated on the scale that we should all like to see.

Mr. Dubs: Is not the truth that, despite the Chancellor's assertions, the link between a low rate of inflation and any improvement in the horrific level of unemployment is so tenuous as to be virtually non-existent? Is not the truth that the Chancellor is setting his sights on the level of inflation and disregarding entirely the consequences for the level of employment and the exchange rate?

Mr. Lawson: As I have said more than once, the level of employment in Britain in the past year has risen steadily whereas in most of our major competitor countries in western Europe it has been falling. That shows the success of our policies at a difficult time. I readily concede that the hon. Gentleman and his right hon. and hon. Friends have no interest in bringing inflation down, as is seen whenever we have the misfortune to have them in office.

Mr. Dorrell: Does my right hon. Friend agree that a fluctuating exchange rate is a serious disincentive to investment in export-orientated activity? Does he agree also that the cause of job creation would be well served by a Government policy designed to increase the stability of the exchange rate? Would it not be in our interests, in pursuit of that policy, to enter into negotiations with our Common Market colleagues to widen the scope of the European monetary system?

Mr. Lawson: The main turbulence in the foreign exchange markets recently, and for some time past, has been the exchange rate against the dollar. Joining the EMS would not make any difference to that.

Taxation (Budget Representations)

17. **Mr. Canavan** asked the Chancellor of the Exchequer how many representations he has received about possible new taxation proposals for the 1985 Budget.

Mr. Peter Rees: Several.

Mr. Canavan: Is the Minister aware of the widespread opposition to the imposition of VAT on books, which would be a tax on learning, and of the widespread opposition to the taxation of pensions, which would be retrospective if people who had already made contributions found out afterwards that they were to be taxed? If the economy is in such a mess that the Treasury needs more revenue, why should not a wealth tax be introduced, or is this Tory Government afraid to ask their supporters to pay for their discredited policies?

Mr. Rees: As to a wealth tax, I would refer the hon. Member to the report of the Select Committee that was set up under the last Labour Government. As to the hon. Member's other points, I cannot anticipate the Budget of my right hon. Friend, except that I would remind the House of the statement that was made before Christmas by my right hon. Friend about retrospective legislation concerning pensions.

Several Hon. Members *rose*——

Mr. Speaker: Order. Before we proceed with Prime Minister's questions today, may I say to the House that I believe that the noise and the interruptions during Prime Minister's questions last Tuesday was worse than I have ever heard it before. It is part of our democratic tradition that we should hear each other with respect. I hope that that will happen today.

PRIME MINISTER

Engagements

Q1. **Mr. Cowans** asked the Prime Minister if she will list her official engagements for Thursday 24 January.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Cowans: Will the Prime Minister take time today publicly to announce changes in the policies of her Government that will offer a ray of hope to the unemployed in the northern region, in particular in Newcastle and Gateshead in my constituency, where there are pockets of unemployment as high as 40 per cent., with the prospect of more to come as the policies of her Government decimate the shipbuilding and heavy engineering industries? [HON. MEMBERS: "Too long."] The only thing that is too long is the dole queue. Is the honest answer of the Prime Minister to the questions I have posed that under her Government there is no hope for the unemployed?

The Prime Minister: The answer to the hon. Member's problem and to similar problems relating to unemployment is to win orders. The answer to winning orders is to keep inflation low and to have good designs and competitive products that will sell both at home and on world markets.

Mr. Charles Wardle: Does my right hon. Friend agree that, just as unemployment and the need to create more wealth-producing jobs is rightly recognised as an urgent priority, it is also worth reflecting upon the sombre thought that the world does not owe a living to the more than 23·5 million people in this country who are in work? Does my right hon. Friend agree that unless a sense of realism prevails in the 1985 wage round so that pay increases are, at the very least, matched by an improvement in productivity, more of those who are in work will be at risk? *[Interruption.]*

Mr. Speaker: Order. I think that I can help the House. Will the hon. Member please make his question brief?

The Prime Minister: Yes, I agree with my hon. Friend. What is important is that unit wage costs should be as low as those of our competitors. We have done better recently, but so have our competitors. It is vital that our unit wage costs should match theirs and that, therefore, we should keep wages down and productivity up.

Mr. Kinnock: Has the Prime Minister seen today's statement by the national executive committee of the National Union of Mineworkers, which makes it clear that the union wants negotiations to take place without preconditions and wants them to begin early next week? As somebody who told me last Tuesday that she really wants an end to this dispute, will the Prime Minister tell the House whether she welcomes this constructive approach by the union?

The Prime Minister: As I told the right hon. Gentleman, I am anxious for there to be a clear settlement. As we have already been through seven rounds of negotiations, it is very important that we — [HON. MEMBERS: "We?"] The country has already seen seven rounds of negotiations—[HON. MEMBERS: "Ah."] How very childish.

As there have already been some seven rounds of negotiations, it is important that the next round of negotiations is entered into on a clear basis so that there can be no fudging whatever. The NCB made its position clear this morning when it issued a statement which said:

"If, following the meeting of the NUM National Executive Committee, the National Coal Board receives written indication that they are prepared to help resolve the problem of dealing with uneconomic capacity, the National Coal Board will be prepared to re-enter negotiations with a view to resolving the current dispute. The proposals must establish that the NUM recognise that management must deal with the problems of uneconomic capacity and that the NUM will co-operate in this essential task, recognising the other commitments that the Board are prepared to make on the future of their employees and the industry."

The NCB has made its position clear in writing. That is the best basis on which to enter into negotiations—to make the position clear in writing.

Mr. Kinnock: Will the Prime Minister tell us exactly who has demanded the new precondition of a written undertaking from the NUM, especially when, late last night, neither Mr. Ned Smith nor the union nor ACAS was aware that any such stipulation was to be made? Can the Prime Minister tell us whether it is the Government who

have made that demand? Frankly, her dirty fingerprints are all over that kind of request. Does the Prime Minister really want to encourage negotiation, or is she still obsessed with securing humiliation, no matter what the cost or how long it takes?

The Prime Minister: I think that the right hon. Gentleman forgets the statement that was made on Tuesday, part of which I read out to him on Tuesday, which said:

"In seven rounds of negotiations lasting 175 hours"——

Mr. Healey: Answer the question.

The Prime Minister: I intend to answer the question in my own way.

"In seven rounds of negotiations lasting 175 hours the NUM have refused to move from their demand that every uneconomic pit should be kept going until the last tonne is exhausted. The Coal Board cannot meet this impossible demand that would undermine the Coal industry's future and provide no security for miners or for the children of miners in the years to come . . . The Board want to achieve a settlement of this dispute but we do not want another round of talks in which the NUM yet again persist with their one impossible demand leading yet again to failure."

Now perhaps the right hon. Gentleman will listen. Why is the right hon. Gentleman so reluctant for the NUM to make its position clear?

Mr. Kinnock: The NUM has made its position clear — much too clear for the convenience of the Prime Minister — because it was the NUM which said that there would be no preconditions. With answers or evasions such as the Prime Minister offers, it is no wonder that the Earl of Stockton calls her policies futile.

The Prime Minister: No, Mr. Speaker. The NUM has not made its position clear. Indeed, the right hon. Gentleman is already arguing about it. The NUM — *[Interruption.]*—should do what the Coal Board has done. It should put its exact position in writing. Why is the right hon. Gentleman so reluctant — [HON. MEMBERS: "Answer the question."]

Mr. Speaker: Order. I must say to the House that it was precisely for this reason that I made my comment at the beginning of Question Time. The Prime Minister is trying to answer the question.

The Prime Minister: Why is the right hon. Gentleman so reluctant to put his and the NUM's position on the closure of uneconomic pits into writing, when the previous Labour Government not only put it into writing but into legislation, when they provided for grants that would

"further assist in the re-deployment of the manpower resources of the Board and the elimination of uneconomic . . . capacity."

Why cannot the right hon. Gentleman be so frank? Is he incapable of it?

Mr. Batiste: Does my right hon. Friend accept that those miners who have already returned to work, often in the face of the most serious intimidation, are fighting for the future of the British mining industry? Will she take this opportunity to affirm her Government's determination to protect them from intimidation, in the shape of both present attempts and any future attempts by the National Union of Mineworkers' leadership when the strike is over?

The Prime Minister: Yes, every possible step will be taken. My hon. Friend is right to remind us that the strike got under way without a ballot, and was pursued with violence and intimidation. It is because of the bravery of the 77,000 members of the NUM who are back at work that the industry has a chance to flourish in future.

Dr. Owen: Is the Prime Minister aware that the country will test the acceptability of any negotiation by whether it is acceptable to those who have worked during the dispute? Does she agree that they have been deserted by the Trades Union Congress and the Labour party, and that the country does not expect the Government to desert them?

The Prime Minister: I recognise, and agree with the right hon. Gentleman, that the country owes a great deal to the 77,000 working miners and that they must not be let down. I also recognise that any result must make it absolutely clear that uneconomic pits must close and that the final decision must rest with the management of the NCB after the proper processes of consultation have been gone through. It is totally cynical to try to enter into negotiations without the NUM making its position clear on those matters.

Mr. John Browne: Does my right hon. Friend accept that the depressed level of sterling now represents an outstanding opportunity for British exporters to increase their share of overseas markets? Will she urge them to take advantage of that by pricing competitively at the new levels, rather than leaving their overseas prices at historic levels in the hope of a short-term foreign exchange windfall gain?

The Prime Minister: Yes, those companies that are in the best position to take advantage of the present price of sterling are already competitive. It is totally and utterly wrong to rely on the lower value of sterling to make goods competitive. By virtue of management, goods should be competitive. A double benefit can be gained by taking advantage of what, I hope, is a temporary lower value of sterling, which is far too low at present.

Q2. **Mr. Gareth Wardell** asked the Prime Minister if she will list her official engagements for Thursday 24 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wardell: In view of the sincere, objective and earnest proposals put forward yesterday by Welsh church leaders in an attempt to bring the miners' dispute to an end, will the Prime Minister give a categorical assurance to the House this afternoon that she will desist from using hardship as a weapon of vindictiveness to get her political way?

The Prime Minister: If there has been any vindictiveness during the strike, it has been on the part of the leadership of the NUM which has deliberately put its members through privations when, since 6 March, they have had on the table the best offer since nationalisation began. The leadership of the NUM has been vindictive and has nearly split its own union.

Mr. Howard: Has my right hon. Friend had an opportunity to consider the implications of the suggestion made in last week's debate on unemployment by the leader of the Social Democratic party that VAT should be extended to everything but food? Will she do what she can

to urge the Chancellor of the Exchequer to resist the insatiable demands of the right hon. Gentleman for a massive extension of that tax?

The Prime Minister: I am grateful to my hon. and learned Friend for that information. I seem to have missed that speech, but I now see that I must read it carefully.

Q3. **Mr. David Marshall** asked the Prime Minister if she will list her official engagements for Thursday 24 January.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Marshall: How can the Prime Minister justify her decision not to give thousands of pensioners and poor people in Scotland the same treatment as those in the rest of Britain with regard to the allocation of exceptional heating allowances? How much more must they suffer before she shows them any mercy? Is her "hard-hearted Hannah" attitude to the people of Scotland to continue because they have twice decisively rejected her at the polls? Will she tell the House now that she will give them that allowance?

The Prime Minister: All pensioners are treated very much more generously now under the Conservative Government than they ever were under a Labour Government, and people know it. The £400 million that the taxpayer finds for heating allowances is about 40 per cent. more than was provided by the Labour Government, so Labour Members are in no position to criticise anyone.

Mr. Fairbairn: Will the Prime Minister note, as we move towards the celebration of freedom and peace on VE day, that the latest act of the Government of East Germany is to demolish a Christian church so that the prisoners of their tyranny can be more easily executed if they try to escape?

The Prime Minister: As my hon. and learned Friend is aware, we have said that we wish to give thanks to our dead on VE day, and we wish to commemorate 40 years of peace, which we hope will continue. That is the right spirit with which to enter the activities of VE day.

Business of the House

3.31 pm

Mr. Neil Kinnock (Islwyn): Will the Leader of the House state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 28 JANUARY — Second Reading of the Education (Corporal Punishment) Bill.

Proceedings on the Brunei and Maldives Bill (Lords)

TUESDAY 29 JANUARY—Progress in Committee on the Representation of the People Bill.

WEDNESDAY 30 JANUARY—There will be a debate on the inspector's report on the airport inquiries 1981-83, which will arise on a motion for the Adjournment of the House.

Motion relating to the Immigration Appeals (Procedure) Rules.

THURSDAY 31 JANUARY—A debate on the Royal Air Force, on a motion for the Adjournment of the House.

FRIDAY 1 FEBRUARY—Private Members' Bills.

MONDAY 4 FEBRUARY—Opposition Day (7th Allotted Day): subject for debate to be announced.

Mr. Kinnock: I thank the right hon. Gentleman for postponing the Committee stage of the Hong Kong Bill so that further preparatory work can be done by hon. Members on both sides of the House.

It is unprecedented and entirely inappropriate for a report that commands as much interest and is as important as the Eyre report on the future of Stansted to be debated on a motion for the Adjournment of the House. May I ask for an absolute assurance that, if the debate has been arranged only to hear the views of hon. Members, there will be another debate on a specific motion before the Government take a final decision on the future of Stansted?

In the light of allegations made in today's *New Statesman* about a deal between Britain and the Pinochet dictatorship in Chile during the Falklands war, will the Leader of the House arrange for the Foreign Secretary to make a statement early next week about the changes in voting by the Government at the United Nations on human rights violations in Chile, and about the Government's decision to end the arms embargo to Chile?

Will the right hon. Gentleman give us notice of when he expects a debate on the special order required to make the unnecessary and unacceptable increases in water charges in the London area?

Mr. Biffen: To take those points in the order in which they were made, I thank the Leader of the Opposition for his comments on the Committee stage of the Hong Kong Bill. It enables me to underline the fact that our decision was taken at the request of the Opposition, and it in no way diminishes the great importance attached to the legislation. I hope that it will pass speedily through the House.

Secondly, as to the comments upon Stansted, it is by no means unprecedented for a motion on the Adjournment to feature in this kind of debate, but I take the point that the right hon. Gentleman argues. After the decision has been taken, the House will be given the further opportunity to debate and, if it wishes, to vote upon the Government's airports policy. My right hon. Friend the Secretary of State for Transport will be touching upon this in his speech on Wednesday.

I will of course draw the attention of my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs to the points concerning Chile.

Finally, the water order to which the right hon. Gentleman refers does not feature in next week's business, but I take note of his keen interest in the matter.

Mr. Kinnock: The right hon. Gentleman may inadvertently have misled the House. When he said, "after the decision has been taken", in the context of his remarks on the Stansted debate, did he mean after the debate has taken place or that we would have a debate after the decision was taken?

Mr. Biffen: After the decision on the inspector's report.

Sir Fergus Montgomery (Altrincham and Sale): May I refer my hon. Friend to the question that has just been raised by the Leader of the Opposition about the debate on Stansted on Wednesday? A rumour is going around in the Manchester area that we are to have a two-day debate on Stansted and that the Opposition are giving up one of their days so that the House can have two days to debate this urgent question. Can he confirm or deny that the Opposition are giving a day? If the Opposition are not giving an extra day, could he perhaps extend the debate? There is a tremendous demand by hon. Members to speak on the subject, which is of great interest not only to Essex and Heathrow but also to the north of England?

Mr. Biffen: I am sure that my hon. Friend will have noted that it is a one-day debate that proceeds next week. I take note of what he says about the possibility of suspending the 10 o'clock rule. Perhaps that matter could be further considered through the usual channels.

Mr. Alfred Morris (Manchester, Wythenshawe): Why cannot next Wednesday's debate on Stansted take place on the basis of an amendable motion? Why can we not have a motion that can be amended to take note of the report, so that hon. Members on both sides of the House can give the Government a clear indication of their viewpoint on this important issue? Can the Leader of the House help us on a matter of the first importance?

Mr. Biffen: Of course I recognise the importance of the matter, and I recognise the deep interest that the right hon. Gentleman has in this topic. The point that he now suggests was considered, but it was thought more appropriate that the debate should arise on the motion on the Adjournment and that my right hon. Friends who have a certain status in these matters should be able to sit and listen to the debate.

Sir Bernard Braine (Castle Point): In view of the somewhat selective reference that the Leader of the Opposition made to human rights in connection with Chile, would not my right hon. Friend agree that there is a very strong case for the House to have the opportunity to discuss the violation of human rights all over the world and its relationship to foreign policy generally?

Mr. Biffen: I recognise that point. I have none the less to be rather unhelpful in the sense that no provision is made for the subject next week, and I do not think that there is an early likelihood of such a debate taking place in Government time. But it is a very important issue.

Mr. Tony Benn (Chesterfield): Has the right hon. Gentleman consulted the precedents, which show that, during the miners' dispute of 1974 the then Conservative Prime Minister granted four debates in Government time? Is it not now absolutely clear that the Government are as afraid of a debate on the mining industry in the House as they are of negotiations between the National Union of Mineworkers and the National Coal Board? Is he also aware that, Mr. Speaker now having 18 times ruled that a debate on the mining industry is not specific, urgent or important enough to take precedence over the Orders of the Day, he, as Leader of the House, is in effect trying to exclude any parliamentary examination of the wholly fraudulent economic arguments used to justify the attack upon the mining industry?

Mr. Biffen *rose*—

Mr. Speaker: Order. I hope that in that question the right hon. Gentleman was not alluding to me.

Mr. Benn: Mr. Speaker, I was referring to the fact that 18 times since the strike began, you have felt unable to grant a request for a debate under Standing Order No. 10. I have checked in the Library that four times in the 1974 dispute the then Government gave time. My remarks were addressed to the Leader of the House. He is trying to prevent Parliament from discussing the mining industry. That is manifestly so.

Mr. Biffen: I shall look at all those points and draw such comfort as I can from the comparison between the current mining dispute and that in 1974.

Mr. Fred Silvester (Manchester, Withington): The acoustics may not be perfect, and I should like to be clear about the debate on Stansted. Some of us feel that it would have been of benefit to the Minister in considering the issue if the voices had first been counted on the desirability of allowing for a 15 million passenger expansion at Stansted. Did my right hon. Friend say that there had been no request for an extension of the debate to two days, and that the suggested day's debate would take place only after a decision had already been made by my right hon. Friend the Secretary of State, so he would not know how many hon. Members hold strong feelings about the issue before he made his decision?

Mr. Biffen: The answer to the second part of my hon. Friend's question is yes, but doubtless my hon. Friend will be able to pursue that point later. As I have said, my right hon. Friend the Secretary of State for Transport will be touching on that issue in his speech on Wednesday. Representations have been made to me this afternoon about the desirability of extending the debate and, as I have said, we shall consider that through the usual channels.

Mr. Michael Morris (Northampton, South): Is my right hon. Friend aware that there is great concern about the draft proposals for limited list prescribing? Will he give an undertaking that there will be a full debate on those proposals, and that the issue will not be hidden away in a one-and-a-half hour debate after 10 pm?

Mr. Biffen: I shall bear in mind my hon. Friend's point about the concern. There has certainly been considerable correspondence on the matter. I cannot give any undertaking about the amount of time allocated to the debate, but I shall bear in mind what my hon. Friend has said.

Mr. Willie W. Hamilton (Fife, Central): May I reinforce the remarks made by the hon. Member for Northampton, South (Mr. Morris)? Every hon. Member must be receiving an enormous volume of letters from general practitioners and their patients, all of whom will be adversely affected by the Government's proposals. It is not sufficient for the Leader of the House to duck the question. Will he give a firm guarantee that there will be a full day's debate on that important issue?

Mr. Biffen: I note what the hon. Gentleman has said. However, I cannot accept the premise of his argument about the amount of adversity that the proposals have given rise to. The hon. Gentleman has made a request about the amount of time needed for a debate, but he will know that such matters are normally dealt with through the usual channels. Nevertheless, I note what has been said.

Mr. Ian Lloyd (Havant): My right hon. Friend will doubtless have heard Lord Stockton's eloquent and scintillating plea that the country should adopt new technology with more enthusiasm. As their Lordships have set us an interesting example in that regard, perhaps my right hon. Friend will agree that there are many directions in which this House could move. How soon will we have an opportunity to accelerate the adoption of new technology here?

Mr. Biffen: The House wuld probably wish to adopt rather more measured techniques than my hon. Friend has in mind.

Mr. Robert Sheldon (Ashton-under-Lyne): Will the right hon. Gentleman allow time for an early and full debate on the De Lorean affair? The Public Accounts Committee has said that that affair involved one of the gravest misuses of public money. We must go further than we have done so far, and hold a debate in the House. I hope that the right hon. Gentleman will accede to that request, which comes from the whole Committee.

Mr. Biffen: I am grateful to the right hon. Gentleman for informing me that he would raise that point. He has raised an issue of real substance and I shall look into it, and be in touch with him.

Mr. John Butterfill (Bournemouth, West): Does the Leader of the House mind me drawing his attention to early-day motion 36, which stands in my name and which argues the case for a blindness allowance?

[That this House, whilst appreciating all that has been done for the blind by this and previous governments, wishes to remind the Government of the acceptance by successive Ministers of the case for a blindness allowance; and, in particular, the statement by the then Minister of State for Social Security and the Disabled (the Right honourable Member for Daventry) on 24th July 1979 that the case for an income in the form of a blindness allowance is unanswerable on its merits; points out to the Government that the blind do not normally qualify for mobility, invalidity, attendance or other allowances, unless suffering from a second disability; and calls upon the Government to take immediate action to replace the existing range of benefits available to the blind with a means-tested blindness allowance.]

My right hon. Friend will no doubt recollect that some weeks ago an Adjournment debate on that subject was initiated by the hon. Member for Brent, South (Mr. Pavitt). With his customary generosity and courtesy, he

[Mr. John Butterfill]

allowed me to intervene in it. As the early-day motion has now been signed by 201 hon. Members, will my right hon. Friend accept that there is an urgent need for a more general opportunity to debate the issue as soon as possible?

Mr. Biffen: I thank my hon. Friend, who also gave me notice of his intention to draw my attention to that early-day motion, and I congratulate him on the skill with which he is conducting his campaign for the allowance. I cannot offer the prospect of an early debate, but we are beginning to approach the Budget season and I am sure that the formidable arithmetic contained in the numbers who have signed the motion will not have been lost on my right hon. Friend.

Mr. Don Dixon (Jarrow): Has the right hon. Gentleman had time to look at early-day motion 285 standing in the name of my hon. Friend the Member for Liverpool, Riverside (Mr. Parry) and 112 right hon. and hon. Members concerning unemployment in the construction industry and the fact that there are now 450,000 unemployed building workers?

[That this House, concerned at the mass level of unemployment in the construction industry and the number of families on local authority housing lists, calls upon Her Majesty's Government to initiate a massive increase in public investment, to construct more housing, new and improved roads, to carry out an overhaul of water and sewage systems and an increase in public works, as suggested by the Trades Union Congress, the Confederation of British Industry, the building trades employers and construction industry trade unions in an attempt to get 450,000 unemployed building workers back to work and put new life back into the industries that supply the materials, thereby creating even more jobs.]

Bearing in mind the fact that the report, published today, of the committee chaired by the Duke of Edinburgh states that we need to spend £50 million to put our housing stock in order, will the Leader of the House find time for a debate on the important issue of unemployment in the construction industry?

Mr. Biffen: I am at one with the hon. Gentleman in underlining the importance of the subject, but I regret that I cannot offer him the prospect of a debate next week either on the subject generally or on the terms of the early-day motion. However, he may have a chance to make some of the points he wishes to make in the debate that we shall be having on the White Paper on public expenditure.

Mr. John Wilkinson (Ruislip-Northwood): Following the question from the Leader of the Opposition, will my right hon. Friend reconsider the somewhat disingenuous and pusillanimous procedural device of having Wednesday's debate on the Eyre report on the Adjournment? Although the Secretary of State for Trans[illegible] has repeatedly emphasised that, because of his quasi-judicial position, he is unable to comment in any way on the findings of the Eyre Report, that will be the subject of our debate. Would it not be better to have that debate on, say, early-day motion 146 entitled "Stansted and the Regions", which would give the House as a whole a chance to express its view?

[That this House, deeply concerned to achieve balanced economic growth throughout the United Kingdom, and believing that the proposed massive expansion of Stansted Airport would produce unjustifiable urban growth and congestion in North West Essex and East Hertfordshire, calls upon Her Majesty's Government to opt now for a policy which, while providing for a modest increase in activity at Stansted, subject to a fixed ceiling, would place the greater emphasis on taking all possible steps to expand the use of provincial airports to meet demand in the region of its origin, the case for which has been well documented and shown to be financially viable by various groups, notably the North of England Regional Consortium.]

Mr. Biffen: I take note of the representations that my hon. Friend makes, but I do not want to raise his hopes too high, having told the right hon. Member for Manchester, Wythenshawe (Mr. Morris) that we considered the two alternatives and decided that on balance there was virtue in choosing the Adjournment motion as the means of promoting the debate.

Mr. Eric S. Heffer (Liverpool, Walton): Has the Leader of the House noted early-day motion 266, which has been signed by 175 hon. Members, and early-day motion 299 entitled "Homelessness in Severe Weather"?

[That this House is deeply concerned at the plight of those people without shelter or a roof over their heads at night at this time of intense cold and severe winter conditions; and calls on the Government to take emergency steps, in consultation with local authorities, to ensure that warm shelter and beds are provided for those in need by the taking over of buildings together with other emergency action such as the use of underground railway stations, &c.]

[That this House calls upon London Regional Transport to open one or more Underground stations at night during severe bad weather to allow homeless people to take shelter there; notes the generous offer of the Salvation Army to supervise people taking advantage of such a facility at no public charge; and welcomes the donation of well over 2,000 blankets by firms and members of the public for the protection and comfort of those without shelter.]

Has the right hon. Gentleman spoken to the Ministers concerned and asked them to make a statement to the House—I am not asking for a debate—on the important issue of people who are out in the cold without any night shelter? As hon. Members on both sides have raised this matter, may we have a statement next week to the effect that something serious will be done to help those people?

Mr. Biffen: I shall certainly convey that request.

Mr. Nicholas Baker (Dorset, North): Will my right hon. Friend agree that the first day of the television experiment in another place tended to confirm the fears of those of us who believe that such an experiment here would change the character of this place by concentrating the attention on theatrical performance rather than on the debate and the words that come out of our mouths?

Mr. Biffen: If that be true, I reckon that we could have put on a better show.

Mr. James Hamilton (Motherwell, North): In view of the disgruntled feelings of the people of Scotland in general and the senior citizens in particular because extra fuel allowance is being paid to the people of London, Sussex and the south, will the right hon. Gentleman

request the Secretary of State for Social Services to make a statement to the House explaining the logic of a policy that is causing hardship in Scotland?

Mr. Biffen: As I was innovative enough to go to Scotland last weekend, I am happy to confirm what the hon. Gentleman says about the keen interest that exists in this topic, and I shall, as he requests, mention it to my right hon. Friend.

Mr. Alan Haselhurst (Saffron Walden): Is my right hon. Friend aware that there is some consolation in what he said about guaranteeing the House another opportunity to adjudicate on the Government's airport policy, when formulated? In view of the many hon. Members who are concerned about the issue, will my right hon. Friend reconsider whether it would be in accordance with majority opinion if the advice of the House were given in a substantive way before the Government's decision?

Mr. Biffen: I shall take note of what my right hon. Friend says. It is a very formidable request, and not one to which I should make an instantaneous response.

Mr. Kevin Barron (Rother Valley): Can the Leader of the House tell us what consideration was given to the request several times recently at business questions for a debate on the current miners' dispute so that all hon. Members could have the chance to ask questions? For example, we want to ask why the spokesman of the National Coal Board, speaking on the radio at 8 o'clock this morning, did not mention anything about preconditions that the NCB would want before discussions started, yet at 11.07 am, when the NUM national executive committee was meeting, the NCB issued a statement to say that it did want preconditions. It is more urgent than ever that hon. Members are given the opportunity to ask Her Majesty's Government such questions.

Mr. Biffen: I am sure that the hon. Gentleman will appreciate that that topic is kept under continual review. Although the question is normally asked in the context of the Government making time available for debate, there are many other opportunities that the House possesses. It so happens that next Monday we have energy questions. If the very point that the hon. Gentleman now raises cannot be put then, it would be a reflection on his ingenuity, which I know he well possesses.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): May I press the Leader of the House to turn his attention to the prayer in the name of my right hon. and hon. Friends about the Housing Benefits Amendment (No. 4) Regulations 1984, No. 1965? Can we have an assurance that there will be an early debate on the prayer? Also, it is about time that his right hon. Friend the Secretary of State for Scotland came to the House and made a statement about the effects that are being inflicted on the Scottish education system by the current industrial dispute in the teaching profession in Scotland.

Mr. Biffen: In respect of the first part of the hon. Gentleman's question, I shall certainly look into that matter and be in touch with him. On the second point, about the teaching dispute in Scotland, I shall of course represent to my right hon. Friend the Secretary of State for Scotland the hon. Gentleman's anxiety that there should be a statement on the matter.

Mr. Michael Latham (Rutland and Melton): Since the official consultation period for the limited list of drugs ends next Thursday, will my right hon. Friend ensure that on Monday week the Secretary of State for Social Services comes to the House to make a statement on his revised proposals, as the original draft list was totally unsatisfactory?

Mr. Biffen: I shall most certainly put that request to my right hon. Friend.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House reflect further on his answer about the mining dispute? Will he concede that one might take one of two views? One is that the issue is of such importance that it should be ventilated in the forum of the nation, which is the House of Commons, despite what happened in another place yesterday. The second view is that the issue is so delicate that we should have a vow of silence by everybody. If the right hon. Gentleman takes the latter view, because he is being obdurate in not conceding a debate, will he give an assurance that there will be no public statements over the weekend such as his own at Bathgate last weekend? We have had a proliferation of statements, but the right hon. Gentleman attacked the miners when they had no opportunity to reply. If we are going to have statements from Ministers and interference in the dispute, the place for them to speak is here, which is why we should have a debate here.

Mr. Biffen: At Bathgate — or Livingston, to be precise — I contributed a measured and charitable comment, the tone of which I commend to the hon. Gentleman.

Mr. Martin Flannery (Sheffield, Hillsborough): Is it not a fact that this morning in Sheffield the full executive of the NUM went into debate having let it be known that it would come to negotiations without any preconditions and that during the time those people were in there, and even when they emerged, they still did not know that the Government had laid down the most important precondition of the lot — a fundamental precondition? They asked the miners to sign a document saying that the 11-month strike was a waste of time and admitting defeat. That is the precondition. I can see the hon. Member for Hertfordshire, South-West (Mr. Page) nodding in agreement at what I have said. Even the Minister is smiling as I speak, giving the game away about what the Government are really doing. As a matter of urgency, can we now have a debate, or is the Minister going to hold off until the Prime Minister has intensified and deepened the problem once again?

Mr. Biffen: My smile was but a wry reflection on how unfair it was that I should ever expect the hon. Gentleman truly to reflect the dispositions and temperament of my right hon. Friend the Prime Minister. That being so, I found the premise——

Mr. Flannery: It is a bit difficult.

Mr. Biffen: That remark proves my point. The hon. Gentleman's premise did not justify the conclusion that he drew.

Mr. Robert N. Wareing (Liverpool, West Derby): Is it not demeaning to Parliament that, despite the fact that it is possible to debate the coal mining dispute on television, in the press and in public meetings throughout

[Mr. Robert N. Wareing]

the country, the Government refuse to have a debate in the House in Government time? The only debate we have had so far has been as a result of one Standing Order No. 10.

Mr. Biffen: The hon. Gentleman is perfectly entitled to argue that this is a topic of such seriousness as to require a debate in Government time, and I keep that proposition under constant review. Equally I am entitled to say that it is a topic that comes to the House in many guises, in many forms and on many days, and it will certainly be with us on Monday.

Mr. Patrick Cormack (Staffordshire, South): Does my right hon. Friend agree that none of the friends of the hon. Member for Islington, North (Mr. Corbyn) should be allowed to deflect or deter the democratic process anywhere? Will he further accept that many of us believe that yesterday's proceedings on television were interesting and successful? Will he guarantee that, when the other place has concluded its experiment, we too can debate this matter?

Hon. Members: No.

Mr. Biffen: This may be the occasion for a measured, low-profile response to the drama that took place down the road. It is far too early to make a judgment on what has occurred. On the other hand, my hon. Friend is right to say that this will be a material factor in the debates that we have about whether or not television is allowed into the House of Commons. All this will take a period that will reflect the broad mood of the House.

Mr. Peter Hardy (Wentworth): Will the right hon. Gentleman consider one aspect of the call which I made in the House yesterday for a debate on the current problem in the mining industry? The Government have emphatically rejected and condemned the decision of the European Assembly to consider the coal strike. They have rightly argued that this is a matter for the Westminster Parliament, rather than for the European Assembly. Given that response, is it not reasonable for us to suggest that the Government should act consistently and arrange for the Westminster Parliament to consider in debate that which they felt inappropriate for the Assembly in Strasbourg?

Mr. Biffen: I think that what the Assembly in Strasbourg had in mind was something more challenging than mere debate. The hon. Gentleman makes a fair point, and I keep this matter under consideration.

Mr. Robert Adley (Christchurch): Is my right hon. Friend aware that it would be unfortunate if the impression were to be given that it is only the Left wing of the Labour party that thinks that the House should debate the miners' strike? Are not the points made by the right hon. Member for Plymouth, Devonport (Dr. Owen) extremely pertinent — points about the rights of those who have been balloted and the right of people to be protected from intimidation? Will my right hon. Friend make it clear to the country and the House that the Official Opposition have ample opportunities, such as Supply days, one of which is due to take place on Monday week? Does my right hon. Friend agree that if the Labour party wants to debate the miners' strike, all that the Leader of the Opposition has to do is to nominate Monday week, 4 February, as the day for that debate?

Mr. Biffen: My hon. Friend makes a fair point. That is why I am giving a relatively generous response to all the points that are put to me on this subject.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House explain why, if the Government claim that they have such a strong case in respect of the mining dispute, they do not present the House of Commons with an opportunity to debate the issue in their time? Then they could put the case that they put in the media on other occasions. There is a contradiction. If they had such a strong case and wanted to knock the Labour Opposition about, they would use the opportunity several times over. Is not the truth of the matter that the Tory Government are frightened to have the matter debated in their time, for the very good reason that some of us would be able to point out that the cost of the strike is causing a debilitating drain upon the pound sterling? According to stockbrokers, it is costing £100 million a week. We would be able to point out as well that, if it is right for the National Coal Board and the Government to call upon the National Union of Mineworkers to give a written undertaking about uneconomic pits, we could quite properly call upon the National Coal Board to give a written undertaking to review the closure proposals that it made in the first place.

Mr. Biffen: The contribution of the hon. Gentleman makes my dilemma clear. I am asked about parliamentary involvement in the coal disupute in terms of providing a debate in Government time. That is a proposition which I keep under consideration, but I am also aware that there are plenty of other opportunities whereby, week after week, the topic is brought before the House, and never so much as in questions relating to the next week's business when the hon. Member for Bolsover (Mr. Skinner) makes speech after speech after speech. To say that they have any relation to next week's business is a touch of generosity on my part. It performs a role, because through his speeches we can trace the slow decline of the strike which was intended to transform society and the economy and is now on its last legs, thanks to the resistance of the industrial working class.

Mr. Harry Ewing (Falkirk, East): May I return to the question asked by my hon. Friend the Member for Motherwell, North (Mr. Hamilton) about the special needs payments to old people for heating? Is the Leader of the House aware that the Prime Minister has said three times from the Dispatch Box and that social service Ministers have repeatedly said that the criteria for triggering the payments are under review? Is he aware that a review announced in the height of the summer is a fraud perpetrated on old people? In these circumstances, will the Leader of the House ensure that the review is completed expeditiously and that we have a statement within the next week or 10 days giving the new criteria that will trigger these payments more generously.

Mr. Biffen: I have already undertaken to make representations to my right hon. Friend the Secretary of State for Social Services on this point, and that I undertook again this afternoon. [AN HON. MEMBER: "What has happened?"] Nothing has happened yet. I shall add to those representations the very point that has been made by the hon. Gentleman. I remind the House, incidentally, that the matter is the subject of the Adjournment debate next Wednesday.

Mr. Tim Yeo (Suffolk, South): Will my right hon. Friend use his influence through the usual channels to urge the Opposition to announce the subject for debate on Monday week? If this announcement should herald an opportunity to debate the situation in the coal mines, this would not only be welcomed by the House because it would give us a chance to celebrate the large number of miners returning to work in Bolsover and elsewhere but would mean that the time of the House next week——

Mr. Skinner: They are not on 10 per cent. commission in the back pocket, like you.

Hon. Members: Withdraw.

Mr. Skinner: I am not withdrawing it.

Mr. Yeo: If the hon. Member for Bolsover (Mr. Skinner)——

Mr. Speaker: Order. Fortunately, I did not hear.

Mr. Yeo: If the hon. Member for Bolsover was receiving 10 per cent. for every miner who returned to work in his constituency he would be an extremely rich man.

Mr. Skinner: Taking money off charities.

Hon. Members: Withdraw.

Mr. Skinner: No, I will not withdraw.

Mr. Speaker: Order. Will the hon. Member for Suffolk, South (Mr. Yeo) ask a question of the Leader of the House, not of the hon. Member for Bolsover (Mr. Skinner)?

Mr. Yeo: Will my right hon. Friend not agree that much of the time of the House next week would be saved because we would not have to listen to dreary applications under Standing Order No. 10.

Mr. Biffen: I am sure that the Leader of the Opposition is very sensitive to the moods of the House.

Mr. Dave Nellist (Coventry, South-East): Given that the Prime Minister referred again at Question Time this afternoon to the dispute in the coal industry as being about uneconomic capacity, when the original target that she and her Government set—of saving £200 million—has been exceeded 20 or 25 times, how can the Leader of the House justify his repeated statements that this Chamber is supposed to be the epitome of democracy and a national debating chamber when he and his Government consistently refuse to put the case in a debate in which the Prime Minister could lead off at the Dispatch Box and to which the official Opposition could respond?

Mr. Biffen: I shall bear in mind the request that a debate should be mounted with the Prime Minister in the lead.

Mr. Patrick Nicholls (Teignbridge): Bearing in mind the disgraceful demonstration which took place in the Strangers Gallery of another place, apparently with the approval and connivance of some Opposition Members, and bearing in mind that that followed the entertainment of a convicted terrorist in the Palace of Westminster by a Member of the Opposition, can my right hon. Friend find time for an early debate to consider the abuse by some hon. Members of the privileges that they enjoy?

Mr. Biffen: Certainly I have been given no information to suggest that the disorder was mounted with the connivance of Members of the House. If any points of substance arise from the incident, they should be referred to the Services Committee.

Mr. Ron Brown (Edinburgh, Leith): What is more——

Mr. John Browne (Winchester): Mr. Speaker——

Mr. Speaker: Order. The hon. Gentleman is very close, but I called Mr. Ron Brown.

Mr. Ron Brown: What is more important—elected dictatorship or parliamentary democracy? If it is parliamentary democracy, why do we not have a debate on the miners' struggle? Why do we not have a debate on the devastating effects on the Scottish economy, in view of the misery and hardship that the Government are causing? Why does the right hon. Gentleman not give his hon. Friends an opportunity to speak up? Likewise, we will speak up for our friends.

Mr. Biffen: No one can have serious doubts that this is other than a parliamentary democracy when they consider the turmoil and sweat that we have getting reasonable parliamentary majorities week in, week out. I shall bear in mind what the hon. Gentleman has said about future parliamentary debates.

Mr. Speaker: Now, Mr. John Browne.

Mr. John Browne: Will my right hon. Friend accept that a number of my constituents are resentful of what they feel is interference by the recent edict of the European Court regarding corporal punishment in schools? For how much longer, they ask, must we remain subject to a court which, rather than adjudicate the law, now seeks to impose its personal opinions on the internal affairs of sovereign nations? May we have a debate on this treaty?

Mr. Biffen: I can offer no early debate on the treaty which has prescribed the jurisdiction for the Education (Corporal Punishment) Bill, but I look forward very much to the success of my hon. Friend in the Adjournment debate in which we can test the proposition that national sovereignty means freedom from supra national rule.

Mr. Robert Parry (Liverpool, Riverside): Following the reference by my right hon. Friend the Leader of the Opposition to human rights in Chile, has the Leader of the House noted early-day motion 307 about the repression of trade unions in El Salvador, which has been signed by more than 50 hon. Members?

[That this House is greatly concerned at the arrest of Salvador Chavez Escalante, General Secretary of the F.S.R., two days before the congress of the F.S.R. Trade Union Federation of his union by the national police force of El Salvador; and calls upon Her Majesty's Government to make urgent representations to President Duarte for Señor Escalante's release and to end the repression of the trade union movement in El Salvador.]

Will the Government make urgent representations to President Duarte asking for the immediate release of Mr. Escalante, the general secretary of the FSR?

Mr. Biffen: I have already told the Leader of the Opposition that I would refer the matter concerning Chile to my right hon. and learned Friend the Foreign Secretary. If it would be within the fraternity of the Labour party, perhaps I might include the problem raised by the hon. Gentleman.

Mr. John Stokes (Halesowen and Stourbridge): Further to the remarks of my hon. Friend the Member for Winchester (Mr. Browne) about the Education (Corporal Punishment) Bill, many of us do not want a debate about the subject but want it cancelled altogether. Is it not a most extraordinary measure for a Tory Government to bring forward? Does this ancient democracy require lessons in human rights from Europeans?

Mr. Biffen: I am sure that the answer to the last part of my hon. Friend's question is no. The answer to the first part—I say this with the disapproving eye upon me of the Patronage Secretary—is that my hon. Friend will have the best of both worlds, a debate and a vote.

Mr. Max Madden (Bradford, West): Is the Leader of the House aware that, on Thursday of last week, the coldest day in Bradford for 20 years, when the temperature was well below freezing, a 95-year-old woman was removed from the Thornton View hospital by the Bradford district health authority, which is engaged in a desperate bid to close the hospital by the end of the month? As the authority is planning to remove further very elderly patients from the hospital today and tomorrow, and as it is snowing in Bradford at this moment, will the right hon. Gentleman contact health Ministers to ask them to do what they have so far refused, which is to request the health authority not to remove any more elderly patients from the hospital at least until the weather improves?

Mr. Biffen: Yes, I shall certainly do that.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall call those hon. Members who have been rising in their places to put a question to the Leader of the House but I ask them to put their questions briefly.

Mr. Nicholas Fairbairn (Perth and Kinross): May I, as I always do, Mr. Speaker, take the advice of the hon. Member for Edinburgh, Leith (Mr. Brown) and come to the help of my right hon. Friend the Leader of the House? If the Opposition are not granted a second day's debate on Stansted, perhaps he will use his normal suave powers to have an untelevised debate on the miners' strike instead? Alternatively, as my hon. Friend the Member for Halesowen and Stourbridge (Mr. Stokes) suggested, having taken a caning, perhaps we could have a debate on the miners' strike instead of one on the Education (Corporal Punishment) Bill.

Mr. Biffen: To be described by my hon. and learned Friend as suave is something that I should like to reflect upon, as I shall on the other advice that he offered in his question.

Mr. Roland Boyes (Houghton and Washington): In view of the report of progress in the talks between Mr. Ned Smith and Mr. Peter Heathfield and Mr. Eaton's positive statement on the media this morning, followed by Mr. MacGregor's statement, in the light of the refusal of the Prime Minister to answer the questions of my right hon. Friend the Leader of the Opposition, and bearing in mind especially the right hon. Lady's use of "we", will the Leader of the House ask the Secretary of State for Energy to explain to the House what interference the Government have caused in the possible talks between the National Union of Mineworkers and the National Coal Board in the past 24 hours? Many of those I represent believe that the Prime Minister is acting in her own selfish self-interest rather than in the intersts of the nation.

Mr. Biffen: The Government's position on this important but relatively narrow issue is clear. However, if the hon. Gentleman is not happy with it, he has all the opportunities that are presented by Question Time on Monday.

Mr. Spencer Batiste (Elmet): Is my right hon. Friend aware that the British information technology industry accepts the principles and objectives of the COCOM agreement but is becoming increasingly concerned at its scope and operation and with the way in which the United States Government are imposing their own Export Administration Act in defiance of our national sovereignty? Will he give the House an opportunity as a matter of urgency to debate this subject? Pending such a debate, will he give an undertaking that no new regulations under the COCOM agreement will be introduced?

Mr. Biffen: My hon. Friend raises a highly significant issue. Although I can offer no promise of an early debate, I shall certainly refer the matter to my right hon. Friend the Secretary of State for Trade and Industry.

Mr. Chris Smith (Islington, South and Finsbury): Has the Leader of the House had time to read early-day motion No. 301 on the dangerous phenomenon of jury vetting?

[That this House expresses its deep concern about the use of jury-vetting and the holding of trials in secret, where it is clear that no issues of genuine national security are at stake; and believes that the processes of justice, especially where there is keen public interest in a case, should be as open and free from political interference as possible.]

As we are prohibited by the rules of the House from discussing jury vetting in the specific case of Clive Ponting, will the right hon. Gentleman ensure that the Attorney-General tells us either this week or next week what principles are established for jury vetting and the guidance that he has established on who should be excluded from sitting on juries in the Ponting case and other cases? Will he ask his right hon. and learned Friend to make a statement about this extremely worrying development?

Mr. Biffen: As with so many topics that have been raised on next week's business, this is one of the utmost significance. I shall draw the attention of my right hon. and learned Friend the Attorney-General to the point that the hon. Gentleman has made.

Mr. Teddy Taylor (Southend, East): Will my right hon. Friend the Leader of the House at least agree to postpone the debate on the Education (Corporal Punishment) Bill until it has been possible to identify one person involved directly in education who supports it and until the Government can give a clear assurance that the parents of children who have taken assisted places at private schools will not have to identify themselves to the school and to other pupils by taking their names off the register?

Mr. Biffen: All my instincts tell me that it will be highly desirable if the Bill is debated on Monday. I hope that my hon. Friend will be present to make a trenchant speech.

Mrs. Ann Clwyd (Cynon Valley): As our present stock of battlefield nuclear weapons are said by the Supreme Allied Commander of NATO to be unsafe even before they are used, does the Leader of the House not think that there should be a statement on this very important issue? Does he accept that before the Government agree to further production of these nuclear weapons there should be a full debate in the House on the matter?

Mr. Biffen: If the position were as unambiguous as the hon. Lady describes, I am certain that there would be a tremendous desire for such a debate, but it is just possible that the situation is otherwise. However, I shall most certainly refer the matter to my right hon. Friend the Secretary of State for Defence so that he may take account of what she has said.

Mr. Tony Favell (Stockport): Does my right hon. Friend the Leader of the House recall that, contrary to the express wishes of many hon. Members, the Second Reading of the Civil Aviation Bill was debated before the inspector's report on Stansted was published? In view of the fate of the Bill in Committee, is it not even more important now that the Stansted issue is debated on the Floor of the House and made the subject of a proper vote? If that does not happen, the regions will regard the absence of a debate as an outrage, especially in view of the enormous economic importance of Stansted to the regions.

Mr. Biffen: I take note of what my hon. Friend has said. I assure him that I am fully conscious of all the difficulties that will arise in any conceivable course of action. It was judged that the best course to be pursued in the handling of the business would be broadly that which has been decided upon.

Mr. Jeremy Corbyn (Islington, North): Has the Leader of the House studied early-day motion No. 311, which appears in the name of my hon. Friend the Member for Sunderland, North (Mr. Clay)?

[That this House notes that in the early hours of Tuesday 22nd January a van driven by Cruise Watch Women, which had sighted a United States Cruise missile convoy, was surrounded by police at a junction on the B3098, and that the police broke the side windows and windscreen of the van with a crowbar, caused injury to a passenger who is still receiving medical treatment and then pushed the van against a post, causing damage to the vehicle; and expresses its horror and condemnation that this incident and similar ones have taken place as part of the increasingly indiscriminate attempts to intimidate the peace movement.]

The motion describes an attack on a group of women who sighted a cruise missile early this week. The attack was made by a group of police who damaged the women's vehicle severely. The windows were broken and glass went inside the vehicle. One of the women was forced to swallow glass from the broken windscreen. She is still in hospital receiving treatment for the injuries that were caused by that.

Does the right hon. Gentleman believe that it is necessary for the Secretary of State for Defence to explain to the House why cruise missile carriers are wandering around the lanes of Berkshire? Secondly, does he believe that the Home Secretary should make a statement on the use of the police in following those who are concerned about the presence of cruise missiles on our soil and on the use of the police increasingly as a political arm of the Government against those who are opposed to Government policy?

Mr. Biffen: I am informed that the chief constable of Wiltshire is appointing an officer from an outside force to investigate these complaints. I shall refer the wider issues to my right hon. Friends on the Treasury Bench.

Mr. Gerald Howarth (Cannock and Burntwood): In view of the disgraceful scenes made last week in the House by Labour Members, does my right hon. Friend agree that it is staggering that the Opposition Front Bench do not have the bottle to use their Supply day to debate the dispute of some of the miners? Is he aware that Conservative Members who represent mining constituencies will be very happy to debate the issue in Opposition time or Government time so that we can draw to the attention of the House the trade union's repression of working miners?

Mr. Biffen: I recollect what the Chamber was like last Thursday and I am aware of what it has been since. I, like the right hon. Gentleman the Leader of the Opposition, sat at the feet of and drew inspiration from Lord Wilson of Rievaulx, as he now is. I think that we can both agree that a week is a long time.

Mr. Peter Bruinvels (Leicester, East): I take up the question of my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth). Does my right hon. Friend agree that the behaviour of Members of the Parliamentary Labour Party over the past couple of weeks has left much to be desired and has caused those outside Parliament, especially the House of Commons, to form a bad opinion of us? Does he agree that if Labour Members regard the miners' dispute so seriously, it is rather strange that they did not ask yesterday for a debate on the issue instead of debating post office closures? Is it not strange also that they are not hinting at having a debate on the mining dispute on Monday week? Will my right hon. Friend meet the Leader of the Opposition and give the strongest possible hint that Back Bench Labour Members who are demanding such a debate should be heard? The House is sick to death of being disrupted by appalling requests which obviously delay the business of the House.

Mr. Biffen: My hon. Friend makes pertinent observations, which will have widespread support among Conservative Back Benchers. My hon. Friend's observations will have been heard by the Leader of the Opposition, who has the prize within his gift of the Opposition day on Monday week. Doubtless, his distilled wisdom will be apparent in what he eventually decides to do.

Debates (Government Time)

4.20 pm

Mr. Dave Nellist (Coventry, South-East): On a point of order, Mr. Speaker.

Mr. Speaker: Is it connected with Question Time?

Mr. Nellist: Yes, Mr. Speaker. It is connected with Question Time.

Given your well-observed tolerance during the past 40 minutes in allowing questions to the Leader of the House about next week's business—this may or may not be some of the coded language to which reference was made a couple of days ago—and given your role as protector and guardian of the traditions and reputations of this Chamber, do you recall during your time as Speaker or before whether there has been any other subject or dispute in recent decades for which no time for debate was granted by the Government of the day?

Mr. Speaker: I hope that there is no code in my reply to the hon. Member. I allowed business questions to run on because I believe that is valuable Back-Bench time. Wherever possible, I allow Back Benchers who wish to put a question to the Leader of the House to do so.

While on my feet, may I make one further comment? The right hon. Member for Chesterfield (Mr. Benn) said earlier that 18 applications had been made for debate under Standing Order No. 10. The right hon. Gentleman will know that one of those applications was, in fact, granted by me.

I think the whole House understands that I am tied by the provisions of Standing Order No. 10. Perhaps that is not so widely understood outside the Chamber. The truth of the matter is, as has been mentioned several times this afternoon, that I do not control Government business. Business is determined through the usual channels. There is a Opposition day virtually every week. In granting or turning down applications made under Standing Order No. 10, I am bound to have regard to other opportunities in the House to raise these matters. I must say to the House that I do not take all that kindly to the pressure under which I have been put recently.

Radioactive Waste (Disposal)

4.22 pm

The Secretary of State for the Environment (Mr. Patrick Jenkin): With permission, Mr. Speaker, I wish to make a statement about the disposal of low and intermediate radioactive wastes.

The House will recall that on 25 October 1983 I announced two things — a public consultation on the principles for assessing disposal facilities, and procedures for dealing with the possible sites which the Nuclear Industry Radioactive Waste Executive had originally identified. These sites were at Billingham in Cleveland for deep disposal and at Elstow in Bedfordshire for less deep disposal. The House will remember that the deep depository would be for the longer-lived, intermediate-level wastes and, depending on the geology, would be at least 300 ft deep; the other facility, for shorter-lived wastes, would probably consist of concrete-lined trenches up to 60 ft deep, covered by a thick layer of concrete, and a mound of earth.

The final version of the assessment principles is published today, and I have placed copies in the Library and the Vote Office. The report on the consultation will be published shortly. The principles are now accompanied by detailed guidance about the environmental assessments which NIREX will be required to produce covering where and how waste would be disposed of. These will have to include discussion of alternative sites.

This brings me to the planning procedures. To ensure a fair comparison of alternative sites, I have decided that NIREX should be required to carry out geological investigations of at least three possible sites for each type of depository. Such investigations will require planning permission. I am therefore revising the procedures and now propose to ask Parliament to give these limited planning permissions by way of a special development order. These limited permissions, given only for geological investigation, would carry no presumption that permission would be granted for the actual development of any site. Before development could take place, a public inquiry would be held which would examine all the alternative sites and the environmental assessment for each site.

As regards the less deep facility for shorter-lived waste, which is the bulk of the waste to be dealt with, I have asked NIREX to select and announce as soon as possible at least two further sites for investigation in addition to Elstow. As for the deep facility for the longer-lived wastes, I have asked NIREX to start the search for alternative sites. Further work is, however, needed to review the technical options.

I am therefore asking the nuclear industry to do two things. First, in consultation with the radiochemical inspectorate and the nuclear installations inspectorate, the nuclear industry should continue to seek ways of improving the condition of intermediate-level wastes for disposal. Secondly, NIREX should take full account, in the choice of sites, of research into methods of containing the radioactivity in the wastes. The necessary studies are bound to take some time. To avoid a further period of uncertainty at Billingham, I have invited NIREX, and it has agreed, not to proceed further with that site.

Dr. John Cunningham (Copeland): Why did the Secretary of State for the Environment not publish the

consultation documents, principles and environmental assessment advice before making his statement to the House? Would it not have been much better and more conducive to a well-informed discussion of these key issues if the House had had that information before it? Would that not have been in line with the conclusions and recommendation of the 10th report of the Royal Commission on environmental pollution, which urged that there should be

"a presumption in favour of unrestricted access for the public to information which the pollution control authorities obtain"?

The Royal Commission went on to support that recommendation. It is unacceptable for statements as controversial and sensitive as this to be made without the House having all the information that the Secretary of State has.

Does not the statement represent, in some respects at least, a retreat from the much-needed, long-term decisions on the disposal of radioactive waste? If geological investigation is again now thought to be necessary, why was the original Natural Environment Research Council programme abandoned by the present Administration? Given the admission by the Department of the Environment at the Sizewell inquiry of its underestimate of the size of the problem and the reduced capacity available at Drigg, what is the time scale of the new remit which the right hon. Gentleman has given NIREX? What is the right hon. Gentleman's latest estimate of the quantity of material likely to be generated and, therefore, disposed of? Would it not be better for NIREX, which I understand was set up to implement and make policy, to be given clearer advice from the Secretary of State about the type of site that the Government think would be most appropriate?

Clearly, the announcement by the Secretary of State of the decision on Billingham will be widely and universally welcomed on Teesside, by people in all parties and, I expect, by hon. Members on both sides of the House. Does not the experience at Billingham lead us to the conclusion that sites should be sought in remote areas and not near centres of high population? Although that will inevitably mean extra disposal costs, would that not be worth while if public acceptance of these activities is to be achieved?

In line with the recommendations in the Royal Commission's 10th report, should not the membership of NIREX and of the Radioactive Waste Management Advisory Committee be restructured to include representatives of local authorities, more independent scientific expertise and representatives of the trade unions and environmental bodies, so that much greater account can be taken of the wide-ranging public and scientific aspects of the work?

I recognise from my constituency experience that these are technically complicated and highly controversial matters, but is it not clear that, for the sake of the future of the nuclear industry, long-term decisions are urgently required? What is regrettable about the right hon. Gentleman's statement is that it puts off the day when those decisions are likely to be reached.

Mr. Jenkin: I believe that the statement will be widely seen as another step in the development of knowledge about the scientific and technical issues that are involved.

I am publishing the assessment principles today. It is only in the light of the decisions on the statement that the results of the consultation will be published. I hope that they will be published in about a fortnight. We have already made it clear that we accept the spirit of the Royal Commission's advice that there should be a presumption in favour of openness. That is why we are publishing both the principles and——

Dr. Cunningham: Why has the right hon. Gentleman not published them before making the statement?

Mr. Jenkin: Whether one makes a statement first, or publishes and makes a statement afterwards, is almost a question of courtesy to the House.

The hon. Gentleman says that the Government are retreating from long-term decisions. That is not so. The NERC study to which the hon. Gentleman referred was on an entirely different operation. It was about the search for the very deep holes, not for the low and intermediate-level waste, but for the high-level waste. As knowledge increased the decision was taken—I believe that it has been universally welcomed—that it would be sensible to wait 50 years to allow the high-level heat-producing waste to lose a substantial part of its immediate radioactivity before dealing with it.

It was also envisaged that there would be geological investigations for both the deep and the less deep facilities for the low and intermediate wastes. Today I have said only that we can approach that problem in a somewhat more effective way.

The hon. Gentleman referred to the Sizewell inquiry about Drigg. One of our problems is that the Drigg depository, owned by BNFL, is filling up. There is therefore some need to go ahead with the less deep facility for the low-level waste. That is why I have asked NIREX at once to institute a search for two alternative sites.

On the question of quantities, there has been no change since the Department's witnesses gave evidence to the Sizewell inquiry.

The hon. Gentleman advocates giving clearer advice to NIREX. That is precisely what the environmental assessment principles are intended to do. They will outline what is needed for each site.

I am grateful for the hon. Gentleman's welcome for the announcement about Billingham. I understand the considerable anxieties that were roused in that part of the country. I regret that the uncertainty was necessary, and I hope that the fact that Billingham is no longer on the list will be welcome.

We have under active consideration the appointment of members of trade unions to the Radioactive Waste Management Advisory Committee. Appointments to NIREX are not a matter for me, but we are considering whether it would be appropriate for such people to be appointed to that body.

Sir Hugh Rossi (Hornsey and Wood Green): The Select Committee on the Environment is about to embark upon an inquiry into the disposal of radioactive waste. Will my right hon. Friend confirm that he will be prepared to await the report of that Committee before reaching any final conclusions on these matters?

Mr. Jenkin: I should like to examine precisely what would be involved. I am sure that my hon. Friend is not suggesting that NIREX should not proceed with the search for alternative sites to Elstow, because we need to be able to consider Elstow alongside at least two other sites. However, the consideration of technical studies to which

[Mr. Jenkin]

I referred, and of the options referred to in the Holliday report, is likely to take six months or more. I imagine that the Select Committee will report before then.

Mr. Frank Cook (Stockton, North): I am grateful to the Secretary of State—as are those of my colleagues from Cleveland who, because of other parliamentary duties, are not able to be here—for his clear statement. We will study the principles carefully, and we look forward to the publication of the report on those principles.

My constituents will be easier in their minds this evening now that democracy — a commodity about which we hear so much but see so little—has at long last been evidenced in the case of Billingham.

Now that the spectre has been removed, Cleveland's local authorities will be anxious to attract again the timid investors and developers who were scared off by the original proposals. The authorities' cry will be, "Come to canny Cleveland, because we can cope." However, some disquiet may result from the announcement that planning permission—if that was the term used—will be granted by Parliament. Does the Secretary of State realise the worry that may be caused by that removal of a role from the local authority? Is the right hon. Gentleman also fully aware of the manner in which the campaign has been conducted by NIREX, not only in my constituency, but in communities throughout the north-east over the past 15 months?

Mr. Speaker: Order. The hon. Gentleman should not go into too much detail when asking a question.

Mr. Cook: I would have been brief, Mr. Speaker. I am pleased that there has been an agreement to withdraw the original proposal, but would it not be wise for the structure and composition of both NIREX and RWMAC to be reconsidered, so as to allow, in line with the decisions reached last week in Strasbourg, for the representation of conservationists and environmentalists? That would balance the inbred views of those with purely in-house industrial interests.

Mr. Jenkin: I pay warm tribute to the manner in which the hon. Member for Stockton, North (Mr. Cook), and other hon. Members on both sides of the House representing that area, their local authorities and their communities conducted their representations on this matter. No one was in any doubt about the anxieties that had been raised. However, there is no need for people to be afraid about the safety of the disposal procedures. I recognise that the fears exist, but when the hon. Gentleman studies the assessment principles and the environment assessment arrangements he will see that there will be no chance of any such disposal sites being a threat to a local population.

The special development order procedure is envisaged only for the preliminary test drilling that will provide the information for the planning inquiry. The local authorities would make an important contribution to the planning inquiry, and no development would take place until that full inquiry had been held.

There are already, on the advisory committee, very distinguished people with a real understanding of the environment, and I am considering new appointments to that body. NIREX is an executive body, but I am considering whether I should ask for other appointments to be made to it.

Mr. T. H. H. Skeet (Bedfordshire, North): Although I welcome my right hon. Friend's statement as a vast improvement on that of 31 October, may I ask him for three assurances: first, that the evidence adduced before public inquiries will be considered carefully by the inquiry and by my right hon. Friend and that the best site will be selected; secondly, that the prime consideration will be public safety, in whichever locality; and thirdly, that there will be further research into the behaviour of radionuclides outside waste repositories to ensure that they do not migrate into the food chain?

Mr. Jenkin: I am grateful for what my hon. Friend said about my statement. I think that I can give him the three assurances for which he has asked. Evidence given to the public inquiry must be a matter for those who give evidence, and the report must be a matter for the inspector who hears the evidence. In the end, decisions will be made by Ministers in the light of the evidence and of the report, and we shall ensure that the best site is selected.

Public safety is paramount. The entire panoply of advisory committees and the procedures that I have announced that we shall develop are designed to ensure that there is public safety and, even more important, that the public can be convinced that public safety is paramount.

As to my hon. Friend's third point, yes, indeed, this is precisely one of the studies which is currently in hand. We are continuing research to try to improve the methods of packaging radioactivity in waste to minimise the problem to which my hon. Friend drew attention.

Mr. Ian Wrigglesworth (Stockton, South): Is the Secretary of State aware that my constituents and everyone else on Teesside will be delighted with his decision that Billingham is no longer to be considered as a site for dumping nuclear waste? I thank the Secretary of State and the Under-Secretary for listening to the representations that have been made by a broad spectrum of opinion on Teesside. It is a triumph for democracy and reasoned argument that they have responded in this way. Will the criteria which the Secretary of State has published today take into account, as a result of experiences on Teesside, social considerations as well as environmental and technical ones in making judgments on future sites?

Mr. Jenkin: I am grateful for what the hon. Gentleman has said. Perhaps I might say on behalf of my hon. Friend the Under-Secretary of State that when he visited the area the atmosphere was fraught, but the manner in which his meetings and his address outside the town hall were conducted was a triumph of democracy for local people. It was a model of how these things should be handled.

The principles and the physical and social environment are matters for the planning inquiry. These matters will be dealt with in the environment assessment statements which will have to be produced in regard to each of the sites in respect of which a planning application is made. The assessment principles essentially concern the containment of radioactivity. They are quite separate, but both are highly relevant to the inquiry on a decision about any site.

Sir Hector Munro (Dumfries): The decision about Billingham is welcome, but will my right hon. Friend give

me an assurance that he will not reconsider sites for which applications from NIREX or the United Kingdom Atomic Energy Authority have already been turned down, such as in Dumfries and Galloway, as we do not want to go through all the arguments again?

Mr. Jenkin: I assure my hon. Friend that there is no intention to resume the search for the type of deep depositories for high-level waste which I know cause much anxiety in his constituency. It has now been decided with universal approval that high-level waste should be left in controlled and monitored storage for 50 years before there is any attempt to dispose of it.

Mr. Tony Benn (Chesterfield): Is the right hon. Gentleman aware that, in the light of experience, people are sceptical about the kind of assurance that he has given today? Is he also aware that nowhere in the world has anyone found a safe and sure way of storing nuclear waste for the long term? Is he further aware that what he said about maintaining the highly toxic waste on the surface until it has cooled down was tried at Windscale, now Sellafield, and that if he examines the records he will find that a major leak of that highly toxic waste was located in December 1978? Is he aware also that if the cost of storing nuclear waste were included in the cost of producing nuclear power, nuclear power would not be economic?

Is the right hon. Gentleman aware that, for those and many other reasons, the United States has not ordered a nuclear power station since 1977, and has cancelled 90 of them? Does he agree that all of these factors ought to be in the public domain when he comes along with his proposals for getting people to accept the storage of nuclear waste in their areas?

Mr. Jenkin: I prefer to accept the advice of the Royal Commission on environmental pollution, which, in its 10th report, especially apropos acid deposition, recommended that one of the solutions would be a modest increase in the nuclear programme. That is the Government's policy.

Mr. Benn: That view has been overtaken by events.

Mr. Jenkin: I have given the Royal Commission's opinion. The right hon. Gentleman is entitled to his views. He said that nowhere was safe. I challenge that assertion. Some other countries which generate nuclear power have made more progress than we have in the deep deposition of nuclear waste. There are examples which we would do well to study.

As to the storage of high-level waste on the surface, it is precisely because of the problem to which the right hon. Gentleman referred—the 1978 incident—that BNFL's policy is now to use the process of vitrification so that it is stored in solid form and can be monitored so that the chances of escape are negligible. I must take issue with what the right hon. Gentleman said about that.

Mr. Nicholas Lyell (Mid-Bedfordshire): Does my right hon. Friend realise how grave is the anxiety of my constituents and people of Bedfordshire about the proposal to dump nuclear waste in their midst? Is he aware of how sceptical they are about scientific assurances that there is absolutely no danger, and how that presses for the choice of a remote site? In that context, I welcome the proposal that at least two extra sites will be considered. Might I suggest that there should be three or four other sites, bearing in mind the fact that it is sensible to use the special development order procedure? Might I also suggest that there should be proper consideration of alternative methods of storage and disposal?

Although we are glad for the people of Billingham, might I ask that sites for consideration should not be confined to those which happen to be owned by the partners in NIREX, such as the Central Electricity Generating Board? This is a national problem, and if the only remote site with the right geological capability happens not to be owned by NIREX, we should not shrink from making a compulsory purchase if necessary.

Mr. Jenkin: I entirely understand, and have a good deal of sympathy with, my hon. and learned Friend's constituents who face the prospect that Elstow might be one of the sites that is investigated and therefore the subject of a planning inquiry. It is part of my purpose, and of those who advise me in this matter, to try to restore, if restore is the right word, public confidence in the scientific evidence. That is why it is most important that there should be a full planning inquiry before any of the facilities are built.

I thank my hon. and learned Friend for his recognition of the need for a number of alternative sites. He will have noticed that I said, "at least three sites". If NIREX has more, it is competent to produce more.

As to alternative methods of storing and disposing of nuclear waste, my hon. and learned Friend will have read the Holliday report, which was produced for the Department and the Trades Union Congress. Professor Holliday and his colleagues argued that there should be a restatement of the options for storing and disposing of nuclear waste. I hope that we shall have that in six months' time, or a little longer. I hope that that meets my hon. and learned Friend's request.

I noted very carefully that my hon. and learned Friend said that we should not confine ourselves to sites in the ownership of the partners of NIREX. That has not been the practice hitherto, and we are certainly not giving such a direction now to NIREX.

Several Hon. Members *rose*——

Mr. Speaker: Order. I fully appreciate the importance of this subject to hon. Members and their constituents and I shall ensure that every hon. Member who rises is able to put a question, but I ask for briefer questions, because they will lead to briefer answers. I must have regard to the subsequent business.

Mr. D. N. Campbell-Savours (Workington): Is the Secretary of State aware that we shall never convince the British public that nuclear waste is not dangerous? The British public will always believe that it is dangerous. Whatever action the Government take, they must start with that understanding of public opinion.

Is not the only answer to the problem to seek international collaboration over a disposal site, perhaps in the south Atlantic or the Pacific, so that all countries with a nuclear capability can transfer their waste to that common site? There should also be an international inspectorate to monitor storage at that common site. Would that not be a far more adventurous and sensible way to deal with the problem? Is it not fair to say that, because gipsy sites are never accepted by the electorate, the electorate will not accept, either, nuclear disposal sites in their constituencies?

Mr. Jenkin: I have never said — indeed, no responsible person could possibly say — that nuclear waste is not dangerous. Of course it is dangerous. It has to be handled with extreme care, particularly intermediate and high-level waste. What the scientists and those who advise us are entitled to say is that the inbuilt technical and procedural safeguards, the extent to which they are monitored by those who are not involved with the industry and the advice of committees that are independent of the industry, reduce the dangers to an acceptable level. The risks are kept to the absolute minimum. This country still has, quite rightly, a great deal of confidence in the nuclear industry. It is to be found not least among those who for many years now have lived next to some of the most successful nuclear power stations in the world.

As to the suggestion that we should wait for an international solution to the problem, I do not believe that that would be a responsible course to adopt. It may be that in my lifetime, and in the lifetime of the hon. Gentleman, something of that kind will happen, but in the meantime we have a responsibility to deal with the waste that is accumulating, in particular the low-level waste. That is why I believe that the Government are right to proceed along the lines indicated in my statement.

Mr. John Carlisle (Luton, North): I endorse the words of my hon. and learned Friend the Member for Mid-Bedfordshire (Mr. Lyell). We share the delight of those who live around Billingham and congratulate them upon their campaign. However, my right hon. Friend must accept that there is great disappointment and dismay in Bedfordhire this evening about his decision to pursue the Elstow site. Can my right hon. Friend say why sites in heavily populated areas are still being considered?

Mr. Jenkin: I am grateful for my hon. Friend's statement. I realise that it must be disappointing for the people who live in and around Elstow that this site is still regarded as having a potential for the storage of low-level waste, but until this matter has been properly examined I believe that it would be irresponsible not to press ahead with it. However, alternative sites will now have to be identified and, after due parliamentary proceedings, geological studies undertaken, and the whole matter will then be subject to a planning inquiry. That is the best safeguard that the constituents of my hon. Friend can have that their interests will be properly examined and that all factors bearing upon safety will be properly examined.

Mr. Simon Hughes (Southwark and Bermondsey): May I add our congratulations and thanks to those of the Secretary of State to the people of Billingham, to BAND, to the hon. Member for Stockton, North (Mr. Cook), to my hon. Friend the Member for Stockton, South (Mr. Wrigglesworth) and the local authorities and others, including ICI, for their sterling efforts which the Department has recognised by this announcement?

May we have an assurance that, before any further steps are taken, proper consideration will be given to the merits of storage rather than disposal, as the Holliday report envisages, the presumption being that at the moment storage is safer than disposal?

Secondly, may we have an assurance that the time scale thereafter will not result in the inevitable blight that descends upon whole communities once an announcement is made that there is to be a geological investigation followed by the special development order procedure—I have reservations about that — and a public inquiry, which may lead to many years of uncertainty? If we are to store nuclear waste in this country — perhaps we ought to try to move away from that — it is important that decisions should be made speedily, but only after sites have been found which are acceptable to everybody concerned.

Mr. Jenkin: I understand entirely the desire that the procedures should move with due expedition. However, it is probably more important that care should be taken at every stage to ensure that, so far as is humanly possible, the best and the right decisions are taken.

As to the balance between storage and disposal, that is precisely what the studies in which we are now engaged, following the Holliday report, are intended to bring out for public consideration. I hope that we will have the results of those studies within six months or so.

As to trying to remove anxiety and blight, it is very important that the public should feel reassured that there will be opportunities for public discussion. Without in any way wishing at this stage to put a gloss on the environmental asessment principles that are to published, I take the point that the social and environmental problems are always likely to be greater in areas that contain a higher population. That is a matter of common sense. However, we must now wait for NIREX to identify its sites. I can then put before the House a special development order, with necessarily limited powers for geological investigation.

Mr. Michael Fallon (Darlington): Is my right hon. Friend aware that, as a result of his statement, Teesside will heave a collective sigh of relief at being freed by the Government from NIREX and all its works? Will he confirm, clear and loud, that, whether or not any blight has been caused, Teesside remains an attractive location for investment, not least as a result of the efforts of other Government agencies, such as English Estates?

Mr. Jenkin: That is certainly so. I was the Secretary of State for Industry who decided, under the old regime, that Teesside should have what was then special development area status. It seemed to us that it was highly desirable to attract industry to this area. However, there is no suggestion of the Billingham site being abandoned because it is regarded as being unsafe in any way: it is because we do not want to prolong the uncertainty that may be caused while the studies continue. There is not the same urgency about the identification and construction of a deep facility. Rather than let the uncertainty hang over Billingham any longer, it seemed to be much better to back away from it altogether and say that, wherever else it may be, it will not be at Billingham.

Mr. Jack Thompson (Wansbeck): I welcome the lifting of the cloud from Billingham, but the cloud has not disappeared. Although it is moving away from heavily built-up areas like Billingham—I am delighted that it is, and I pay special tribute to my hon. Friend the Member for Stockton, North (Mr. Cook) — it is moving elsewhere. I suspect, because of the comments of the Secretary of State, that it is moving to less populated areas. Therefore, one has to look at an area like Northumberland, with its low population.

In reply to a question relating to Dumfries and Galloway, the Secretary of State suggested that that site

would not now be considered for the deposit of high level nuclear waste. However, is it possible to infer that that site might be examined because it might be capable of storing intermediate and low-level nuclear waste?

Mr. Jenkin: I understand the point that the hon. Member is making, but there is an inescapable responsibility upon the nuclear industry, and then upon me as the Secretary of State charged with responsibility for monitoring the disposal of nuclear waste, to continue to make progress. When, therefore, the hon. Gentleman says that the problem will move elsewhere, that is absolutely inevitable. However, we want to find the right solution. We cannot just back away from it, shut our eyes to it and hope that it will go away. It will not. Therefore, we have to deal with it.

I hazard a guess that it would be unlikely that NIREX would wish to look into areas in Scotland that were the subject of deep drilling for high-level waste for the kind of depositories that are needed for low and intermediate level waste.

Mr. Richard Holt (Langbaurgh): I need not remind you, Mr. Speaker, of the number of times over the past 15 months that I have asked for a statement on this subject. I welcome it personally and on behalf of my constituents. I am sure that there will be great delight in Cleveland that Billingham will no longer worry us in this context. The activities of BAND, and, associated with BAND, the media, which were not allowed to join BAND but which gave us great support, have shown what a united area can do, even when there are deep political and philosophical divides. It bodes well for democracy in the future, and it also enhances and underlines the words of Cleveland's greatest politician yesterday, that with unity one can achieve a great deal more than with discord.

Mr. Jenkin: I am grateful to my hon. Friend for his remarks and I endorse what he said about the responsible way in which the campaign was conducted.

Mr. Kevin Barron (Rother Valley): May I ask for an assurance from the Minister that any low and intermediate nuclear waste that is disposed of in any area after a special development order will be only that produced in Britain, so that we can lose the label that we are acquiring rapidly of being the dumping ground of the world for nuclear waste?

Mr. Jenkin: As the hon. Gentleman knows, perhaps, the most important contract, that with the Japanese for the reprocessing of their nuclear fuel at the Sellafield plant, has an express provision that they must take back the waste and deal with it themselves. I imagine that that will continue to be the policy of the energy industry, although that is a matter for my right hon. Friend the Secretary of State for Energy and the industries for which he is responsible.

Mr. Robert Maclennan (Caithness and Sutherland): Is the Minister aware that my constituents will be interested in the guess he hazarded that NIREX will not be interested in the disposal of intermediate waste in the deep drilling areas in my constituency to which he referred? Has he noticed that, during the past nine months, 50 per cent. of Scotland's electricity needs has been provided by nuclear power? That was made possible by the policies pursued by the right hon. Member for Chesterfield (Mr. Benn). The humbug that the right hon. Gentleman has expressed this afternoon does not help us in dealing with the problem of the measured research that is necessary to dispose of waste that has accumulated under the policies of successive Governments.

Mr. Jenkin: Accumulated waste is part of the problem with which we must deal. I referred earlier to the Japanese contract and the arrangements for the reprocessing plant at Sellafield. It was indeed the right hon. Member for Chesterfield (Mr. Benn) who was responsible for the decisions in that regard. That fact sits ill beside the remarks that he now makes on the subject of nuclear power. In common with all our major partners, we are now developing our nuclear resources, partly in order to reduce the deposition of sulphur dioxide and nitrous oxides, which are the consequence of the burning of fossil fuels.

Dr. M. S. Miller (East Kilbride): The right hon. Gentleman will be aware of my interest in the matter. I agree wholeheartedly with two of my hon. Friends who said, as I believe he has said, that low and intermediate-level waste must be stored in remote areas because of the undoubted fact that, in spite of the scientific knowledge that has convinced many people, there are those who are not so convinced. The right hon. Gentleman will realise that that is a difficult problem which requires constant attention and not a cavalier attitude on the part of Government who say that we must have nuclear power and that is all there is to it.

The House must appreciate that if no further power stations were fuelled by nuclear energy we would still have to dispose of the waste that we have accumulated by the production of nuclear power during the past 30 or 40 years. In the search for sites, is the right hon. Gentleman satisfied that when the results come forward there will be sufficient accommodation for the low and intermediate-level waste which has been produced? How far has the vitrification process gone?

Mr. Jenkin: If the hon. Gentleman tables a question, I shall give him the answer. On the basis of my imperfect information, I should not like to hazard an answer which might be inaccurate.

It is the primary responsibility of NIREX, as the executive arm of the nuclear industry, to satisfy itself that it will have sites at which to dispose of the substantial quantities of waste, particularly low-level waste, which have accumulated and which will continue to accumulate. It will obviously be a matter for the planning inquiry to satisfy itself that the size of the site will be sufficient for the purpose and that we shall not have to proliferate sites all over the country in order to deal with the waste.

I understand the hon. Gentleman's important point that it is the constant duty of those who carry responsibility in such matters to ensure that the public understand the issues involved to the best of their ability. Sometimes the technicalities are not easy for people without a scientific education to understand. Those of us who are laymen, and who have to cross-examine our own scientific advisers, may sometimes find it easier to communicate with the public because we have had to force the scientists to put the matter into words that we can understand. I always think that if I can understand something, everybody should be able to understand it.

Mr. Tony Blair (Sedgefield): May I say on behalf of the constituents of Sedgefield that they will welcome with

[Mr. Tony Blair]

obvious relief the decision not to put nuclear waste at Billingham? May I also extend our thanks to everybody in the BAND campaign and in the campaign led in this House so ably and energetically by my hon. Friend the Member for Stockton, North (Mr. Cook)?

Will the Secretary of State and others who have responsibility for such matters try to learn from the experience of Billingham that the perception is as important as the reality and that, whatever the scientfic and rational basis, that is a solid reason why one should consider remote areas with low populations rather than those with high populations?

Mr. Jenkin: I agree with what the hon. Gentleman said about perception. It is part of the business of politicians to try to understand the perception of those whom we represent and to handle public affairs in a way which people can understand and accept. That is important, and nowhere more so than in the controversial area of nuclear policy. I do not want to add to what I have said about remote sites.

Mr. James Wallace (Orkney and Shetland): The Secretary of State may well be aware that some concern has been expressed in my constituency about proposals by the private company ENSEC for the under-seabed disposal of nuclear waste, possibly at a site off the west coast of Orkney. Does the remit which the Secretary of State has given to NIREX include the possibility of under-seabed disposal? Are there sufficient, indeed, any, planning procedures to deal with such disposal?

Mr. Jenkin: My statement today has dealt with landward disposal. Proposals have been made for the depositing of nuclear waste deep in the ocean bed on the continental shelf. That is still at an early stage of research. The question is currently the subject of study by RWMAC.

Mr. Stuart Bell (Middlesbrough): May I, on behalf of my constituents at Middlesbrough, over the water from Billingham, say how much we welcome the Secretary of State's statement and the felicitous way in which he has put it to the House. The campaign at Billingham is the second in which I have been involved concerning nuclear waste. The first related to the Cheviot hills. I understand and sympathise with the problem of having to store nuclear waste in urban areas and villages where people live. It is a great joy to the people of Cleveland and Teesside that the nuclear blight has been removed. We hope that the Government will now help us in removing a second blight —unemployment.

Mr. Jenkin: I note what the hon. Gentleman has said. I think that the last part of his question was wide of the statement.

Mr. Chris Smith (Islington, South and Finsbury): Do not the Secretary of State's statement and the comments of the hon. and learned Member for Mid-Bedfordshire (Mr. Lyell) reveal that there will always be extremely strong public opposition to the disposal of nuclear waste in rural areas? Do they not also reveal that that makes it extremely difficult, if not impossible, to identify acceptable sites for such disposal? In the light of that, will the Secretary of State, with his colleagues, now reconsider the 25 per cent. target for electricity production by nuclear power, which the Government currently have in mind? Surely, until we have acceptable and safe means of disposal, such a target should not be adopted by the Government.

Mr. Jenkin: I cannot accept that. Although it is primarily a matter for my right hon. Friend the Secretary of State for Energy, there is widespread agreement that it is appropriate that we, like other countries, should proceed steadily with a nuclear power policy. However, the hon. Gentleman is right to say that the problem of disposal of waste arouses considerable public difficulties. It is the responsibility of the Government not to shrink from that, but to seek to persuade the public that there is a need to dispose of waste, and to ensure that the procedures are such that the public can be reassured, as far as is humanly possible, that the final decisions are the right ones.

Several Hon. Members *rose*——

Mr. Speaker: Order. I now have four applications under Standing Order No. 10. I hope that the Scottish Members who have waited patiently for their debate will understand that the statement was of vital importance to their colleagues, some of whom are Scots. They will have until 11.30 pm for their debate, if they wish to take that time.

Coal Industry Dispute

5.11 pm

Mr. Martin Redmond (Don Valley): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the Prime Minister's involvement in the mining dispute."

The Prime Minister has constantly misled the House during the past 10 months about the mining dispute. That is a serious matter and should be given priority over the normal business of the House. On many occasions during Prime Minister's Question Time, the Prime Minister stated that she and her Government would not involve themselves in the mining dispute, that the dispute was a matter only between the National Coal Board and the National Union of Mineworkers, and that the Government had no intention of becoming involved. Events during the past few days have made it clear that the Prime Minister and her Government are involved in the dispute. She has misled the House with her answers and brought disgrace and dishonour on her high office. Only by granting a debate can these charges be more fully explained and the Prime Minister be brought to task for misleading the House.

Mr. Speaker: The hon. Member for Don Valley (Mr. Redmond) asks leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the Prime Minister's involvement in the mining dispute."

I hope that the hon. Member and the House will appreciate what I said a few minutes ago about the number of Standing Order No. 10 applications that are being made. I am bound to have to take into account the other opportunities in the House for discussing these important matters and also the negotiations which, I hope, are to get under way this weekend. I listened carefully to what the hon. Member said, but regret that I do not consider the matter that he has raised is appropriate for discussion under Standing Order No. 10 today or on Monday and, therefore, cannot submit his application to the House.

5.14 pm

Mr. Robert Parry (Liverpool, Riverside): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the employment of private security companies by the National Coal Board during the miners' strike."

I do so because it has come to my attention that a private company called Burns International Security Services (U.K.) Ltd. advertised in the *Liverpool Echo* for people to be interviewed for jobs in security. I believe that the company came to Liverpool because of the massive unemployment there. I understand that the recruits were to be paid between £420 and £480 for 10 days' work over the Christmas and New Year period for protecting National Coal Board property. They were expected to cross picket lines, but no previous security experience was required, nor was any training to be given.

I know from information given to me that one recruit had just been released from prison after having served a two-year sentence. I fully support the rehabilitation of prisoners and recognise the need to find them employment. However, I wonder whether such companies do not generally check an applicant's previous history. The recruit could have been in prison on a non-serious charge, but, equally, his offence could have been causing grievous bodily harm or some other form of violence. In view of allegations and counter-allegations of violence on picket lines, of the death of several miners, and of evidence of police brutality, it is disturbing and sinister to think that there is a small private army employed by the NCB for that sensitive work.

I wrote to Mr. MacGregor and the Secretary of State for Energy on 17 January, but to date I have received no reply. I received a written reply from the Under-Secretary of State for Energy on 21 January, which stated that the Government did not have a list of private security companies employed by the NCB. It is therefore urgent that we get that information, and have a full debate on the Floor of the House about whether the Government and the NCB support the employment of those organisations during the strike. I hope, Mr. Speaker, that you will accede to my application.

Mr. Speaker: The hon. Member raises a different aspect of the coal industry dispute, namely,

"the employment of private security companies by the National Coal Board during the miners' strike."

The hon. Member knows that the decision that I must take on these matters is whether applications should take precedence over the business set down for today or Monday. I listened with care to what he said, and I am sure that he will have further opportunities to raise the matter. I regret, therefore, that I cannot submit his application to the House.

5.18 pm

Mr. Alex Woodall (Hemsworth): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the deteriorating situation following the aborted talks this week between the National Coal Board and the National Union of Mineworkers."

Last Saturday, Sunday and Monday everyone in the country thought that talks were about to restart between the NCB and the NUM after they were aborted last October. That was widely forecast by the media, especially following a meeting held on Monday between Mr. Peter Heathfield of the NUM and Ned Smith of the NCB. We were led to believe that the meeting was to clear the way for a full meeting between the NCB and the full executive committee of the NUM without any specified agenda or preconditions. Suddenly on Tuesday, the talks were off. Almost simultaneously, the Secretary of State for Energy and the spokesman for the NCB announced that there had been no interference by the Government or by the Secretary of State for Energy. That happened before any accusations were made that there was interference.

We have had no opportunity to question the Secretary of State for Energy on the way in which the talks were aborted, which looks suspicious. As everyone had high hopes that talks could take place this week and the strike might be settled, it is imperative that this debate should take place. Questions on Thursdays to the Leader of the House, and a few questions on Tuesdays and Thursdays

[Mr. Alex Woodall]

to the Prime Minister are no substitute for a full debate. For those reasons, Mr. Speaker, I hope that you will look favourably upon my application.

Mr. Speaker: The hon. Gentleman asks leave to move the adjournment of the House for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the deteriorating situation following the aborted talks this week between the National Coal Board and the National Union of Mineworkers."

Again, I in no way underestimate the importance of the hon. Gentleman's application. I hope that he and the House accept that this is a crucial moment in respect of negotiations that we hope will be renewed. I regret that I cannot submit his application to the House this day.

5.21 pm

Mr. Jeremy Corbyn (Islington, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the coal industry dispute and the problems of power supplies and safety checks at nuclear power stations."

The House must be aware of the massive increases in fuel costs since the miners' strike began, which are estimated to be £60 million a week. In a desperate attempt to maintain electricity supplies, it is clear that the Central Electricity Generating Board has been running all its non coal-fired power stations to maximum performance, which has led to many unreported and unpublicised breakdowns of equipment. Indeed, there are reports of a near-explosion at Rugeley A power station on Christmas day, and the destruction and burning out of a turbine at Neasden power station at approximately the same time.

We also learn that the CEGB has been running its nuclear power stations flat out during the miners' dispute, and right up to the maximum period of two years before compulsory inspection. It is important that the House discusses this matter, because if those power stations are being run to the limits of their inspection time, will they all be shut down together to allow inspection to take place, or will the Secretary of State for Energy attempt to alter regulations so that they can be run for even longer than two years?

You may have noticed, Mr. Speaker, that yesterday the CEGB sought legal advice because of a statement made by Friends of the Earth at the Sizewell inquiry that the inspection of nuclear power stations has been taking place under an Act of lesser force than the one which the CEGB should be using. It is using the Health and Safety at Work etc. Act 1974, while Friends of the Earth suggests that it should use the Nuclear Installations Act 1965 to inspect nuclear power stations.

I trust that you will agree, Mr. Speaker, that this is an urgent and important matter. The implications of many power station breakdowns as a result of overloading for the safety of oil-fired and nuclear power stations are extremely important. Those matters must be debated in the House, not through the columns of newspapers or on television and radio. If the House is to mean anything as a democratic establishment, we must have a debate on all the implications, in terms of public spending and safety, of the miners' dispute.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter, namely,

"the coal industry dispute and the problems of power supplies and safety checks at nuclear power stations,"

which the hon. Gentleman believes should have precedence over the business for today or Monday. I accept, as I said earlier this week, that these are vital matters which in due course should be debated in the House. However, I must have regard to other opportunities which are available. The hon. Gentleman may discover that during energy questions on Monday he will have an opportunity to put those matters. Therefore, I must say with regret that I cannot submit his application to the House.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. This is a small point, but it might be worth drawing your attention to the fact that when you refused the application of my hon. Friend the Member for Don Valley (Mr. Redmond) you referred to negotiations proceeding. I am sure that you were giving a sign that you would like negotiations to proceed. However, we should remember when further applications are made, probably on Monday, that because of the Prime Minister's interference on a massive scale those negotiations might not proceed. I hope that you will bear that in mind when applications are next made.

Mr. Speaker: That is a hypothetical point, but I judge that all hon. Members would accept that the House is anxious to see a resolution of this damaging dispute. We would be wise to leave matters until the weekend to see what happens.

Mr. Tony Benn (Chesterfield): Further to that point of order, Mr. Speaker. You said earlier that you did not much like pressure being brought to bear on the Chair. None of us likes the pressure that is being brought to bear in our areas. You spoke about negotiations and other opportunities for debate. As you heard, the Leader of the House, in describing the business for next week, said that there would be no opportunity for debate. There is no Supply day next week. The first Supply day comes in the following week.

In effect, Mr. Speaker, you are saying that there is no provision for the House to debate the matter, but that hon. Members can ask questions for an hour next week. We are concerned to have a debate and to have the opportunity to put a contrary view, instead of simply putting questions and receiving stonewalling replies. With great respect—no one regrets it more than do my hon. Friends and myself—the only way in which we can use the opportunities open to us, in the absence of a debate in Government time next week, is by continuing to use the perfectly proper procedure of making applications under Standing Order No. 10. We have so far made 22 such applications, but you have been unable to respond favourably. I hope that in the light of Monday's Question Time it will be possible for you to consider favourably an application under Standing Order No. 10 arising out of questions. It will not be possible to give notice before 12 o'clock of matters that may emerge during Question Time, and I hope that you will take that into account if further applications are submitted to you.

Mr. Speaker: The right hon. Gentleman was in the Chamber when I commented previously on a matter that arose from his question. I have received many applications under Standing Order No. 10 but I repeat to him and the House that I must have regard for other opportunities. It is not the role of the Chair to manage the business of the House. That is done through the usual channels. There is an Opposition day most weeks, and it is for the Opposition to decide what is discussed on those days.

I do not object to being under pressure. I say simply for the benefit of those outside, that I would not wish it to be thought that I am in any way involved in the issues. They are not a matter for me. I am bound by the Standing Order.

Mr. Woodall: Further to that point of order, Mr. Speaker. Is it not regrettable that the Government can find time to debate the Education (Corporal Punishment) Bill next week when for the past 11 months they have been caning miners and their families, right, left and centre?

Mr. Speaker: I think that we had better move on.

BALLOT FOR NOTICES OF MOTIONS FOR MONDAY 11 FEBRUARY

Members successful in the ballot were:

Mr. Edward Leigh
Mr. Nicholas Fairbairn
Mrs. Angela Rumbold

BILL PRESENTED

TOWN AND COUNTRY PLANNING (COMPENSATION)

Mr. Secretary Jenkin, supported by Mr. Secretary Younger, Mr. Secretary Edwards, Mr. Attorney-General, Mr. John Moore and Mr. Neil Macfarlane, presented a Bill to restrict the circumstances in which compensation is payable under sections 165 and 169 of the Town and Country Planning Act 1971 and sections 154 and 158 of the Town and Country Planning (Scotland) Act 1972: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 63.]

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Consolidated Fund Act 1985
2. Elections (Northern Ireland) Act 1985
3. London Transport (Tower Hill) Act 1985

Local Government (Scotland)

5.30 pm

The Secretary of State for Scotland (Mr. George Younger): I beg to move,

That the Rate Support Grant (Scotland) Order 1985, dated 9th January 1985, a copy of which was laid before this House on 11th January, be approved.

It may be for the convenience of the House if with this order we debate the following order:

That the Rating of Industry (Scotland) Order 1984, dated 19th December 1984, a copy of which was laid before this House on 11th January, be approved.

Mr. Speaker: If the House agrees, so be it.

Mr. Younger: The first order is an annual occurrence —the main rate support grant order for the financial year, which begins in April. The other is less regular and fixes the level of industrial derating, in this case for the next five years. There is a strong link between the two in that my decisions on rate support grant distribution have to take into account the level of industrial derating. It will therefore, I think, be helpful to the House to discuss both the orders together.

Before I outline the details of the orders, I shall set the scene by making one or two general points about the relationship between central and local government at this time.

The impression given just now would suggest two main themes. The first is that local government has in the past been free to spend whatever it likes and that this Government have removed that freedom, leaving those in local government completely restricted in what they can do, and with no local decision-making worth talking about.

The second is that, as a result, local government spending has been cut so hard and so often that many local services are severely reduced or having to be more or less abandoned altogether.

Both those propositions are wildly inaccurate. Local government has never been considered free to spend whatever it likes. It has always, under all Governments, been expected to conform to the main priorities in the national economy set by the Government of the day. Through many Administrations it has always been accepted that this must be so and, while there have often been perfectly valid protests against various aspects of central Government policy, which have often been effective, it has always been accepted that in the end, national Government, of whatever party, have the right to expect that local government will conform and national Government have the duty to take action if necessary.

The change now is that this voluntary consensus, which has worked for many years, has been broken, particularly by a small number of highly political local authorities whose members see that as the best way to forward their political careers.

In face of this, the Government—any Government—have two alternatives: they can let the spenders go ahead without restraint, resulting in more and more being spent by local authorities thus forcing less and less to be spent on other priorities such as the Health Service or in industry; or the Government can ensure that national priorities are protected by strengthening Government powers to achieve results which were previously achieved by voluntary agreement, however reluctantly.

Mr. Robert Hughes (Aberdeen, North): Will the Secretary of State explain how money raised locally by a local authority — and I am not speaking about Government money — from its rates detracts from the amount that the Government can spend on the Health Service?

Mr. Younger: I would have thought that the hon. Gentleman would know that very well as a person who knows about economics. Any money that is raised from whatever source — from the taxpayer, the ratepayer or any other place — and spent in the public sector is money that cannot be used in other places — for example, for job creation, wealth creation or whatever. That is well known. I would have thought that the hon. Gentleman would know that very well.

Mr. Hughes: The Secretary of State has not answered the question.

Mr. Younger: I have answered the question.

Mr. Hughes: The Secretary of State specifically said that he could not allow local authorities to spend money that could otherwise be spent on items such as the Health Service. He was as specific as that. If the money is raised by a local authority from rates, how does that affect the Government's ability to spend on the Health Service the money that they raise by taxation?

Mr. Younger: I have answered the question already. Any money that is raised by any of these means has a major effect on the national economy. It is money that cannot be used in any other way. The raising of it affects such matters as the retail price index and is wholly a part of the national economy, which is perfectly well known.

Mr. Barry Henderson (Fife, North-East): On the specific point of the Health Service, is not one of the additional burdens on the Health Service which require additional Government resources, the extra rates that it has to pay to local authorities?

Mr. Younger: My hon. Friend makes a good point, and it is only one of many examples in which spending by one part of the public sector, from wherever the money is raised, has its effect on the economy as a whole and on other parts. The point is well made, and I am grateful to my hon. Friend.

The second myth is more simply dismissed. Local authority spending since 1979 has not fallen; it has risen. In 1978-79 local authority current expenditure was £1,428 million. This year, 1984-85, local authorities plan to spend £2,873 million. When account is taken of the effect of inflation on local authority services this is a rise in real terms of 2·6 per cent. So as we listen to the more lurid claims made by some of our friends from the Convention of Scottish Local Authorities or from hon. Gentlemen on the Opposition Benches about the so-called cuts in local spending, let us bear in mind that the points are being made by people who, as a whole, are spending more than ever before.

I now turn to the rate support grant order provisions. This order gives effect to my decisions about the aggregate of rate support grant and its distribution in the years 1983-84 and 1985-86. It follows extensive discussion with COSLA and has regard to local authorities' actions in the immediately preceding years. The accompanying report sets out what the Government think local authorities should be spending and discusses how much grant they are prepared to provide. In reaching their decision on the amount of grant, a major factor is whether local authorities are spending in line with the Government's plans or not. If, as is the case, they are not, the Government may have to put pressure on authorities by reducing rate support grant, as we are doing this year. There is nothing new in any of this. The Labour party followed exactly the same philosophy and, indeed, actions when they were in power.

This order is, as I have mentioned, made against a background of continued overspending and continued failure to reduce expenditure below the level of 1978-79. In 1984-85, local authorities planned to spend 2·6 per cent. above their 1978-79 level of spending in real terms — that is in volume of local authority services. In cost terms, that is, using the general not the local authority rate of inflation—a more accurate measure of what the failure to reduce expenditure means to the economy as a whole —local authorities planned to spend 12 per cent. more than in 1978-79. In 1984-85, local authorities planned to spend 4·3 per cent. above the Government's plans — little improvement over their budgeted expenditure for 1983-84. I was, however, glad to note that local authorities did respond to the grant reductions in 1983-84 by bringing their overspending down from 4·6 per cent. to a little over 2 per cent.

It is interesting to consider this expenditure record in relation to authorities' manpower levels. After we came to office, these continued to rise until late 1980. There followed a slight fall in 1981 and 1982, although to nowhere near the minimum levels achieved under the last Labour Government, even though the number of teachers in post is now 4,500 fewer than in 1977 because of the fall in school rolls. The figures for manpower have been virtually static for 1983 and 1984 and may, indeed, be starting to show signs of rising. In the quarter to September 1984, the latest for which we have figures, there was a small rise in the numbers employed, after adjustment for seasonal factors. Thus, the failure to contain expenditure is reflected in the manpower figures.

For 1985-86 we have provided local authorities both as a whole and individually with realistic targets and I do not believe that what we are asking them to do is impossible. Relevant expenditure for 1985-86 is just under £3·4 billion. I made a substantial enhancement of £98 million to the original White Paper figures in August 1984 to arrive at this figure and present authorities with a realistic target. It is 5 per cent. above the corresponding figure in the 1984-85 order. Local authorities have criticised that figure as inadequate. They have projected their 1984-85 budgets forward and point to a gap of 3·7 per cent. However, I do not believe that that gap—that is, the level of savings they have to make to come into line with our plans—is as big as they claim. In the first place, what local authorities say they need to spend in 1985-86 is a projection of their budgets for 1984-85. What authorities actually spend is always below budget — more than 2 per cent. below in 1983-84. It is also important to remember that from year to year school rolls, a major determinant of local authority expenditure, are falling. In asking authorities to close the gap which I have narrowed by my enhancement, I am really not asking for anything unreasonable.

At the individual authority level also I believe that we have set realistic targets in the current expenditure guidelines. At one end, for 27 authorities, the guidelines for 1985-86 imply no real terms cut. At the other end the

maximum cash cut required is 1·5 per cent., and this applies to 16 authorities. Thus, slightly over half the authorities will have to make real terms cuts to a greater or lesser extent, but if there is the will, I have no doubt that the savings can be made.

Mr. Malcolm Bruce (Gordon): How is it reasonable for authorities that budget within guidelines for no-growth budgets to have to increase their rates by an average of 15 per cent., and sometimes by as much as 100 per cent.? How can the right hon. Gentleman suggest that it is reasonable for local authorities to have to do that?

Mr. Younger: I am about to come to the effects of distribution, which may be part of that. However, the hon. Gentleman's authority of Gordon has not been required to cut in real terms. I hope that that will be of some help to it. It is certainly better than having to cut in real terms.

While there was some response to our pressures for restraint, more remains to be done if expenditure is to be brought into line with our plans and reduced. I very much hope that the message which I have been sending to authorities since I met them on 24 August last year and which finds its statutory expression in the order will get through and that local authorities will bring their expenditure down to their guidelines in 1985-86. Local authorities are now at the final stages of drawing up their budgets for 1985-86. I know that many will be budgeting in accordance with guidelines. With the realistic guidelines and the prospect of more severe penalties, I am confident that the number budgeting in line with guidelines will be more than in previous years. I say now to all authorities which have not made the decision to spend in line with guidelines that the cost to the ratepayer of not doing so will be very high. This year the grant penalty range was from 65 per cent. of overspend to 87 per cent. In 1985-86 the range will be more severe. An authority which is planning to spend above its guideline by any margin is doing no service to its ratepayers.

Mr. Tom Clarke (Monklands, West): The Secretary of State has mentioned his meetings with local authorities. I assume that he is referring to COSLA. Yesterday, the Minister spoke on housing support grant, and several times gave the impression that COSLA agreed with Government policy. Will the Secretary of State make COSLA's views clear?

Mr. Younger: I appreciate the hon. Gentleman's anxiety. Yesterday my hon. Friend the Minister made it clear that the formula discussed with COSLA and the details of it had been agreed with it. However, no one who reads the newspapers can be in the slightest doubt that, whatever else we may disagree about, we are all agreed that COSLA does not like the present settlement. There is no doubt about that and there is no point in pretending otherwise.

I turn now from the general expenditure background to the valuation background. This year's order has to take account of the general revaluation of property in Scotland, which comes into effect on 1 April. I was interested to note some of the speeches of Opposition Members——

Mr. Ron Brown (Edinburgh, Leith): Will the right hon. Gentleman give way?

Mr. Younger: With respect to the hon. Gentleman, if I give way all the time I shall take up too much of the debate's time.

Mr. Brown: Will the right hon. Gentleman give way?

Mr. Younger: I shall give way to the hon. Gentleman, but I do not want to give way too often.

Mr. Brown: I appreciate that the Secretary of State needs time to develop his theme. Why has the Conservative party reneged on its commitment to its supporters about repealing the antiquated rating system? Why have the Government not wholeheartedly devoted themselves to that objective, given the commitment that they gave during the general election? If the Government say, as they repeatedly do, that the rating system should be abolished, why do they not abolish it?

Mr. Younger: Perhaps I should send the hon. Gentleman a copy of the Scottish Conservative manifesto for the last general election. Obviously, he has not studied it fully, as otherwise he would know that we gave no such undertaking. As he knows, we looked carefully at all the alternatives to the rating system, but we found that everybody had great objections to all of them. That is why no major change has been made. However, many important changes have been made in the way that the rating system works. That commitment has been fulfilled, as we said that it would be.

I was saying that I was surprised to find that Opposition Members had been making a growing number of remarks suggesting that they were against revaluation. Perhaps they have discovered—or think they have—that, as it is unpopular, they had better line themselves up against it as soon as possible. However, regular revaluations are necessary if the rating system is to provide a fair basis of local taxation.

> "It is common ground that it is useful and proper to have revaluations on a regular basis and we in Scotland are proud that we had been able to keep to our five-year pattern fairly regularly . . . The whole point of a revaluation is to provide the opportunity to adjust anomalies and distortions that have arisen during the . . . preceding years, possibly as a result of fluctuations in market prices and housing fashions."—[*Official Report*, 28 July 1982; Vol. 28, c. 1194.]

I am interested that the Opposition seem to find that amusing. Those are not my words but the words of the hon. Member for Glasgow, Garscadden (Mr. Dewar).

Mr. Donald Dewar (Glasgow, Garscadden): Although we have had some reservations, which I shall deal with, about the way in which domestic ratepayers should be protected in certain circumstances, I reaffirm that we are in favour of regular revaluations if the present system continues. The amusement arose because I was speaking in 1982, expecting that 1983 would be a revaluation year. However, there has been a delay of two years while the right hon. Gentleman and his colleagues have swithered, dithered and worried about what they were going to do.

Mr. Younger: I am grateful to the hon. Gentleman, because it is extremely helpful to know that he is lined up solidly behind the principle of regular revaluations. It puts paid to the idea that some injustice is being done to Scotland by having revaluations. We are all agreed that it is desirable to have them, and I am grateful to the hon. Gentleman for that confirmation.

Revaluations inevitably mean change, with some groups gaining and, inevitably, others losing. On the basis of the estimates I have received, the most striking effect of the revaluation this time will be the shift in the rating burden away from industry and public sector rates and, to

[Mr. Younger]

a lesser extent, commerce, and on to the domestic sector. Such shifts in the burden are of course quite normal in revaluations and to try wholly to cancel out the effects of the changes would remove the whole point of the exercise. However, I recognise that the shift towards domestic ratepayers is a sharp one and that something has to be done to soften the effect. I therefore made a substantial increase of £19 million in the amount of aggregate Exchequer grant that I announced in August. That will be of significant help in financing a fivefold increase in the domestic element and reducing by a half the effect of revaluation on the domestic ratepayer. The estimates of revaluation also led me to reduce the level of industrial derating, which I shall deal with in more detail later.

After those general remarks I should like to turn to the order. It is very similar to the 1984-85 main order which was in a new format as a result of the introduction of the client group method of grant distribution. This method, developed in consultation with the Convention of Scottish Local Authorities, is generally regarded as a fairer and more systematic approach. It is fully described in the report accompanying the order. We continue with the work of refining the method of calculating relative expenditure need.

Aggregate Exchequer grant for 1985-86 will be £1,924 million, including the extra £19 million I mentioned. After taking account of the effect of the transfer of two further education colleges to central institution status on 1 September this year, this figure is slightly above the grant figure for 1984-85. It represents 56·6 per cent. of relevant expenditure.

As hon. Members know, rate support grant, which is the subject of the order, is part—very much the larger part—of aggregate Exchequer grant. The other part is accounted for by specific grants—for instance, police grant and urban programme grant. These specific grants total £232·2 million in 1985-86 and are listed in appendix C of the report. Rate support grant totals £1,691·8 million, and article 2 of the order shows how this is divided between the three elements. Domestic element is £63·8 million, much larger than it was in 1984-85 for reasons I have mentioned and resources element is £203·5 million and remains at the ratio of 1:7 to needs element, as it has been for some years. By far the largest part is the needs element, at £1,425·5 million.

The distribution of the needs element is the most significant aspect of the order. As for 1984-85, the amount of needs element payable to each authority is shown in schedule 2 to the order. The method of calculation is described in the report, with the calculations for individual authorities being shown in appendix E.

As I have mentioned, the distribution is based on the client group approach. If that was implemented in full, there would be significant grant gains for some authorities but significant losses for others. I have therefore placed a limit on the change in either direction, up or down, which an authority may experience in the amount of grant it receives in 1985-86 as compared with 1984-85.

No regional council will gain or lose more than £12·32 per head, the equivalent of a 4·8p rate. For districts, the limit is £10·32, the equivalent of a 4p rate in pre-revaluation terms.

In setting these limits I have had to strike a balance between further progress towards the client group approach and avoiding excessive grant losses. Given the limits set and the fact that, leaving aside Orkney and Shetland, only three authorities will now be receiving less than their client group entitlement, I think that a reasonable balance has been achieved.

Mr. Robin Cook (Livingston): Will the right hon. Gentleman take this opportunity to say what advice he would offer a local authority such as West Lothian district council, whose expenditure is well below the client group method of assessment and is only barely above guideline, but which now faces a cut in grant of well over half the rate support grant? Would he advise such an authority to match that cut of over half its grant by cutting services, or by an increase in rates of 20 per cent., which is what is required to compensate for the cut in grant that the right hon. Gentleman is imposing?.

Mr. Younger: The best advice that I can give, without going in full detail into everything to do with West Lothian, is for the authority to keep within its guidelines. If it succeeds in that it should, I understand, have a rate increase above the average of not much more than 1p. The question is whether such authorities keep within their guidelines. In the case raised by the hon. Gentleman, Lothian region would have to play its part and do the same.

I would mention one other aspect of the needs element distribution. Each year it is necessary to decide how to split the total between regions and districts. My decision this year has led to concern among district councils, and there are a number of points I would make about that.

First, there is nothing fixed about the existing split of rate support grant between regions and districts. It has never corresponded to the split in expenditure and it has been changed from time to time, including by the Labour party when in government.

This year I decided that it was important to increase the grant to some regions and to keep to a minimum the grant losses of other regions, since regional rates account for by far the largest part of the bill ratepayers have to pay.

Secondly, as I said, there is a limit of 4p in rate poundage terms to the amount of grant loss which any district has to suffer, for whatever reason. District rates account for only about a quarter of the total bill that ratepayers have to pay. Thus, while that loss may look quite large as a percentage of the district rate, the ratepayer will look at it in terms of his total rate bill, which includes the regional rate, which is much larger. In these terms, the percentage effect of the change in the district rate will be much smaller.

Thirdly, many districts are spending above guidelines. If they reduce their expenditure to guideline, they will be able to offset to a large extent the effect on their rates of the reduction in grant. They will also be able to avoid the severe grant penalties for which they would be liable in 1985-86. Thus, I would not accept that the reduction in grant can automatically be equated with an increase in rates of an identical amount.

I accept that there are authorities spending at guideline to which the course of further expenditure reduction is not really open. Some of those authorities have substantial balances, and I would hope that they would consider carefully whether they need to maintain balances—exceeding, in some cases, a year's rate income—or whether it would be proper to apply those balances to the benefit of the ratepayers by keeping rates down.

For authorities without substantial balances and which are spending, and continue to spend,, at guidelines, there will be rate increases above the average as a result of the pressure that we are applying to authorities as a whole through the grant percentage. However, the moderate policies of those authorities have kept the rates in those areas down and enabled their ratepayers to avoid the cost to them of grant penalties for spending above guideline. By continuing that policy, these authorities will be continuing to take the course which is in the best interests of their ratepayers.

I appreciate that the decisions I have had to make create problems for some authorities which have spent in line with our plans but which still face grant losses. However, initial grant distribution has never been linked to expenditure performance. Under the circumstances, we have had no option but to continue pressure on authorities generally by further reducing total grant. As a result, there is not enough grant to do all that I might have liked to do for districts, but I have taken careful note of the points that have been made by individual councils on these matters.

Those are the main features of the order for 1985-86. The order also implements routine variations in rate support grant for 1983-84 and 1984-85. For 1983-84, grant is increased by £20·5 million. As I announced in the debate on 23 October, grant is to be increased to protect authorities whose expenditure in that year is within, or close to, their guidelines, including the tolerance on account of the unallocated margin.

The amount required for that purpose is £17·4 million. The remainder is to take account of the final level of loan charges and leasing payments and to pay the balance of compensation for protection from the 1982-83 general abatement.

For 1984-85, grant will be increased by £15·3 million to reflect revised forecast interest rates and the additional cost of the September 1983 and September 1984 police pay awards.

Having described the order, I come to what it might mean for the ratepayer. For the reasons I have mentioned, in particular revaluation, the picture for 1985-86 is complicated. If all authorities spend at guidelines in 1985-86 and make no use of balances, the grant figure contained within the order implies an average rate increase a small way above inflation.

However, revaluation means markedly different effects on the rate bills of different groups of ratepayers. On those assumptions, industrial and public sector rate bills would, on average, come down by 7 per cent.; commercial bills would go up by 3 per cent.; and domestic rate bills by 13 per cent. I emphasise that these are averages.

There will be significant variations between and within local authorities. To the extent that local authorities exceed guidelines this year and have to pay grant penalty or exceed guidelines next year, these average figures will be higher. The convention's much higher estimates of rate increases seem to be based on continued overspending in both 1984-85 and 1985-86. I therefore urge authorities, for the sake of their ratepayers, to bring their expenditure down to guideline as soon as they can.

The Rating of Industry (Scotland) Order, which is the latest in a series made since 1965, is to provide that the level of derating of industrial and freight transport subjects in Scotland be reduced from 50 to 40 per cent. from 1 April 1985 for the period until 31 March 1990.

Industrial derating is, I should emphasise, not a part of regional policy and should not be seen as some kind of incentive to Scottish industry. Rather it is an instrument of tax harmonisation aimed at ensuring in the face of different rating and valuation systems north and south of the border that the rates burden on Scottish industry keeps broadly in line with that in England and Wales, thus preventing any significant competitive economic disadvantage or advantage.

Prior to 1963, industrial derating applied to industry throughout Great Britain. It came to an end in England and Wales in 1963, which was a year of revaluation there—a rare event. Scotland was expected to follow suit at its revaluation in 1966, but as 1966 approached it became clear that if derating were terminated, industrial rate burdens in Scotland would be very much greater than those in England and Wales. Accordingly, an order continuing 50 per cent. derating was made by the Secretary of State in 1965 to maintain a broad equivalence of rate burdens north and south of the border. If that order had not been made, industry's share of the total rate burden in Scotland would have risen to nearly 21 per cent. in 1966, when the share borne by industry in England and Wales was still 14 per cent. Since then the relative position has shown little change and derating for Scottish industry has been continued at 50 per cent. by a series of orders, the last of which was made in 1982 and runs until 31 March this year.

The extent to which derating in Scotland assures equivalence with England and Wales may be assessed in two ways: first, by comparing industry's share of aggregate rateable value in Scotland and in England and Wales, and secondly, by comparing for each country the ratio of rates paid to sales of manufactured goods. From the revaluation in 1966 until now industrial derating at a level of 50 per cent. has maintained industry's share of the total rateable value in Scotland close to that for industry in England and Wales, and, similarly, the rates paid per £1,000 of sales have stayed broadly in alignment.

The issues are complex, even more so this year because of the complete revaluation of all heritable property in Scotland, which takes effect from 1 April. Regular revaluations are a feature of the rating system in Scotland and are necessary to keep up to date the relativities between the different classes of ratepayer and within each class. Inevitably, revaluation results in changes between classes of ratepayer, with some paying more, others less. The last revaluation benefited the domestic ratepayer; on this occasion estimates point to benefits for non-domestic subjects, especially the industrial and freight transport subjects that qualify for industrial derating. Those estimates show that following the revaluation Scottish industry would account for only 8·8 per cent. of total rateable value if 50 per cent. derating applied — as proposed in the order — compared to 9·9 per cent. in England and Wales, whereas at 40 per cent. the Scottish figure would become 10·3 per cent. with the possibility that that figure will slightly reduce following the settlement of appeals that will inevitably follow the revaluation. In terms of the comparison of the rate burden on industry expressed as a proportion of sales, it is clear from current data that, subject to uncertainties about local authority spending, the rate burdens on Scottish industry marginally exceed those in England and Wales. Following the revaluation, however, the Scottish figure would be quite significantly reduced if 50 per cent. industrial derating continued, but with 40 per cent. derating, the

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difference between Scotland and England would be reduced to within the range in which it has moved in recent years.

Taking the two tests together, therefore, I have concluded that 40 per cent. would be the right level to maintain the broad equality of treatment that we have always sought to achieve. In addition, to ensure that there are stable conditions in which industry can plan ahead with confidence, it is my intention that the order should run until 1990, when the next Scottish revaluation is due by statute. I reiterate that, even with that, industrial rate bills in Scotland should come down on average by about 7 per cent.

That brings me back to the various criticisms that have been made by the Opposition.

Mr. James Wallace (Orkney and Shetland): Before the Secretary of State leaves industrial rating, I should like to mention one point that may arise on revaluation. Is the right hon. Gentleman aware that there is concern that the rateable value of oil installations in Scotland may change as a result of last year's legislation, which allowed comparability between England and Scotland? It is not a matter for the Secretary of State, but if that happens, can he give a reassurance that the loss of rateable revenue to local authorities will be made up by the Scottish Office?

Mr. Younger: That is a sweeping assurance. I could not make that one. As the hon. Gentleman rightly says, that matter would be dealt with by the normal statutory processes, by assessors, appeals and so on, under the statute. However, I can say that if there are exceptional effects and they are drawn to my attention, I shall be prepared to discuss and examine them, but I cannot give a guarantee that any shortfall would be made up—by magic, as it were—by the Scottish Office.

I should like to deal with some of the main criticisms that have been made by Opposition Members, particularly the hon. Member for Glasgow, Garscadden (Mr. Dewar) in various things that he is reported to have said recently, which are relevant to the background of the debate.

With respect to the hon. Gentleman, it is not enough for him to criticise the orders alone; he must, if he is to be credible, tell us what alternative he proposes to adopt. If he thinks that the districts should have more grant out of the needs element, as we understand he does, how much would he take away from the regions to help them? COSLA will not answer that question—perhaps the hon. Gentleman will. If it is wrong for the Government to try to limit local spending, would he have no limit? How much extra would he let the local authorities spend if he took off the shackles, which he is always talking about? Would he let them spend £100 million, £200 million or £400 million? How much would it be? If they did spend up in that way, which of the other Scottish Office programmes would he cut to compensate for the extra taken by local government? Would he cut the Health Service, the Scottish Development Agency, trunk roads, or what?

One has only to ask those questions and fail to get any answers to appreciate the emptiness of the whole position that the hon. Gentleman has taken on the matter. Of course, it is a continual matter of legitimate contention between us as to what the level of provision and of overall expenditure should be, and it is quite absurd to take seriously an official Opposition who pretend that they could ignore overspending and make no provision to meet it or even check it.

Mr. William McKelvey (Kilmarnock and Loudoun): Will the right hon. Gentleman give way?

Mr. Younger: I must finish my speech.

I do not deny for a moment that it is difficult for local authorities to bring spending under control. I have always acknowledged that, and I have been warning them frequently that the longer they continue to overspend, the more difficult it becomes. All past Labour Governments have had to exercise controls over local government, and if the hon. Member for Garscadden really thinks he may one day belong to a Labour Government, he must accept that he will have to do so, too. He must today come clean to the House and all those outside in local government about how he would pay for the extra spending he is now encouraging his friends in local government to undertake. It is they, by their deliberate extravagance—some of them—over many years who have so distorted the system that even those who have reduced their spending are facing extra burdens which they need never have had in the first place. The hon. Gentleman has been trying to be all things to all men and has completely failed to face the issues. If he is to be believed today, he must face up to his responsibilities and answer those very relevant questions.

I am sure that the Rating of Industry (Scotland) Order continues the broadly equal treatment for Scottish industry that has always been our objective. I believe that the Rate Support Grant (Scotland) Order provides a reasonable measure of support for Scottish local authorities while maintaining our pressure on them to bring their expenditure into line with our plans in the interests of national economic objectives and of ratepayers.

I commend both orders to the House.

6.8 pm

Mr. Donald Dewar (Glasgow, Garscadden): The variety of parliamentary life is endless—the housing support grant yesterday and the rate support grant today. Those of us who have to take an interest in the rather specialist entertainment that those events provide can take a certain delight in watching Ministers putting their own special gloss on the facts—a specious argument here, comments bordering on misrepresentation there. It is delicately done and carefully prepared. However, what we do not get is any nonsense about claiming credit for what is happening to local government and to many district councils, particularly the smaller ones represented by the Secretary of State's hon. Friends.

I object to some of the euphemisms, and it is time that the Minister faced up to what is happening. The point was made by my hon. Friends the Members for Glasgow, Provan (Mr. Brown) and for Monklands, West (Mr. Clarke) yesterday that we have had a nice line in euphemism, particularly from the Under-Secretary of State for Scotland, the hon. Member for Edinburgh, South (Mr. Ancram) when he spoke on local government finance. My favourite was the suggestion that COSLA did not feel able to suggest another formula. I gather that we were invited to accept that everything was all harmony and light, and no other formula could be accepted.

The truth of the matter, which the Secretary of State went some way to recognising, is that COSLA, the

Opposition, and a large number of Conservative councils in Scotland do not want any formula, form, part or portion of either the housing support grant or rate support grant settlement this year. The Secretary of State spoke of euphemisms and understatements, but I treasure the thought that a large number of councils that will face disaster as a result of the Secretary of State's activities was skilfully downgraded at the beginning of his speech to an annual occurrence.

We dislike this settlement, and find it inadequate. I was flattered by the Minister's obsessive interest in my views. I am happy to spend some time talking about them. Some of my hon. Friends think that one of my faults is that I talk endlessly about my views, and there may be some substance in that. However, I realise that I have not been able to satisfy the Secretary of State.

There is room for expansion in the economy and we should have adequate and decent services. I am sure that the Secretary of State will have read, although he may not agree with it, something of the economic strategy being advocated by the Labour party. It is a legitimate and necessary part of that strategy to argue that we favour a much more generous approach to the real financial problems facing local authorities.

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): How much?

Mr. Dewar: These are juvenile witterings from the Minister. If he expects me to start throwing around figures at this stage, he is making a mistake.

We are facing some worrying issues. I should be fair, so I concede immediately that the problems this year have been bedevilled by revaluation. I do not object to regular revaluations while the present system continues, but I have severe reservations, as I think the Secretary of State does. I do not know whether this was mentioned in the last Conservative manifesto, but for a number of years Conservative Members have been talking about rating reform. Revaluation came in 1985, not 1983, because the hon. Member for Edinburgh, Pentlands (Mr. Rifkind) deliberately postponed domestic revaluation because the Government were actively looking for ways to abolish at least domestic rates, and in those circumstances a revaluation would be of no importance or relevance.

There is a general discontent. We have had two years of what I described in my intervention as dithering and swithering. At the end, we have had the extraordinary proposition, which appeared in a White Paper, that radical rating reform had to be abandoned because, we were invited to believe, there was no public demand for a change. There self-evidently is public demand for a change, although there may be difficulties in getting the right answer to the problem of what should replace rates. That is the subject for another debate.

The difficulties of the revaluation have been compounded by the delay to which I have referred. We now see a massive swing against the domestic ratepayer and a threat of revaluation. I do not know what the figures are, but I understand that in Scotland the domestic ratepayer's rateable value is likely to go up on average by 170 per cent. and industrial ratepayers' rateable value by 70 per cent. In Glasgow, I am told, domestic ratepayers face an increase of 180 per cent., while industrial ratepayers face an increase of 30 per cent. I am sure that there will be a great deal of fear and dismay when that news rattles through the letterboxes of the Scottish people in the next three or four weeks. This is a substantial increase. I accept that it is not the rateable value but the rate poundage that matters, and that revaluation of the balance is a matter for the assessor. As a result, at the end of the day, a substantially increased percentage of the revenue from rates will be paid by the domestic ratepayer.

Mr. Younger: I know that the hon. Gentleman is trying to be fair, so I am sure that he will agree that nothing that he says should lead anybody hearing it or reading it to think that his rates will go up by 180 per cent. The rateable value is the important thing. I know that the hon. Gentleman knows this, but it is most important that people should not be unnecessarily alarmed.

Mr. Dewar: I agree, and I thought that I had spelt that out. I do not want to be an alarmist, but there will still be a substantial increase in the share borne by the domestic ratepayer. I accept that the Secretary of State has taken some steps to try to mitigate this, and it would be wrong to deny it. The derating of industry from 50 to 40 per cent. was mentioned in an interesting part of the right hon. Gentleman's speech. For years — if one adds the speeches up and lays them end to end it comes to months — I have listened to speeches in which Conservative Members have said that the rates in Scotland are a uniquely difficult burden for Scottish industry.

I was interested to hear the Secretary of State say that, if one takes the rate burden as a proportion of turnover, we are in equilibrium with England, and will remain so after the adjustment. I hope that Conservative Members will remember that, because it undermines the point of one of their favourite hobby horses — the so-called profligacy and irresponsibility of Scottish authorities.

We also have a complicated formula under which the domestic element, which was 3p on the old valuation standard, will go up to 5p in the new valuation. This is a substantial increase. Is this a permanency for the period of this quinquennium? The derating of industrial properties from 50 per cent. to 40 per cent. is specifically said to continue to 1990, but, as far as I am aware, nothing has been said about similar permanent arrangements to the end of this revaluation. If this is not to be permanent, the implications for the domestic ratepayer will be considerable.

Although partial help has been given, there is an element of the fraudulent in this system. I am sorry to use a rather ugly word. In the settlement for last year, some £14 million of the grant paid had to be devoted to support of the domestic ratepayer. Now, we are being asked to find £64 million from a slightly reduced settlement for the same purpose. In effect, that is a loss of £50 million to the local authorities. Even after that, we know that the equivalent burden for domestic ratepayers is an increase of 8 per cent. on the rates.

The Secretary of State will not quibble with the proposition that there is nothing wrong in helping to meet the burdens—to some extent, he is doing so. However, in view of the depressing statistics emerging from district councils and of the blow falling on the domestic ratepayer, the Secretary of State should have cushioned them more effectively and should have alleviated that burden. We shall return to this again and again. I recognise that there are always problems about cash resources, but in the

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present circumstances, to leave the domestic ratepayer partially unprotected would be unacceptable to Labour Members.

It is self-evident that all this has complicated this year's arithmetic. However one looks at the problem, this is another rotten rate support grant settlement. It is bad for the councils, bad for ratepayers and bad for those who use local authorities' services. Understandably, the Secretary of State made a great deal of play with the increase in relevant expenditure, but just as it is not only the rateable value but the rateable value and the rate poundage that have to be taken into account, so we have to look at the relevant expenditure and at the level of grant paid. That has dropped again from 62·2 per cent. to 56·5 per cent. As a result, in cash terms we shall be paying £6 million less this year than last to local authorities.

I know that the Secretary of State has said that that is an unfair comparison because somewhere two colleges are moving from one sector to another, but the Secretary of State has a nasty habit of mentioning special factors when they are in his favour and ignoring special factors when they are inconvenient for him. The truth is that we have lost £6 million. If we add to that the increase from £14 million to £64 million that I referred to in the domestic element, there is a loss in effect of £56 million.

Relevant expenditure has gone up by £194 million to allow for inflation. The Secretary of State makes a virtue of that, but it has not been reflected in the grant. If £194 million is the proper inflation figure, that should have been met in the grant settlement. If we add the lot together, we find that we are £250 million worse off than last year. That is a substantial loss to local authorities that are suffering the difficulties, problems and demands faced by almost all local authorities in Scotland.

The impact on services is bound to be severe. COSLA has supplied figures and I do not think they are open to challenge. If we apply to the 1984-85 budgets 4·5 per cent., 4·75 per cent. or whatever the proper deflator is that the Government have set in the White Paper, and compare the figures with the guidelines for 1985-86, we find that the standstill budgets would have to be cut by £101 million to meet guidelines. If that is measured against the crisis in education and the fact that the White Paper is proposing that by 1987-88 there will be a reduction in real terms of about 10 per cent. in education spending, we begin to see what bad news these figures add up to.

Mr. Younger: The hon. Gentleman is not correct in saying that, without at the same time saying how many fewer pupils there will be.

Mr. Dewar: I accept that that is a factor — the Government are entitled to draw attention to that—but the Secretary of State will not cavil at the suggestion that there is a real crisis in the classroom and that the introduction of Munn and Dunning, the 16 to 18-year-old action plan, at a time when resources are becoming more and more inadequate, has complicated the business of educating the children and running the schools. The cuts proposed by the Secretary of State will make the position worse. In any event, if the right hon. Gentleman accepts —I do not see how he cannot—that we are in real terms £250 million short on a standstill budget as against last year, even if every authority in Scotland went down to guidelines, we would still have about £150 million less because we would be coming down only by the £101 million to which I referred a few moments ago.

We all recognise that district councils in particular are suffering because of the settlement. Their needs element has come down from £130 million to £94·5 million. This substantial cut has led to a substantial crisis for many smaller district councils. They will suffer massive reductions in rate support grant settlement. If the Secretary of State wants to look to his laurels and maintain his pose as the ratepayers' champion, which I think he is fond of assuming, he must think again about what he is doing to many district councils and local authorities generally. His record on rates is not happy, as he knows. He would say —I recognise his defence—that he has been struggling to do something about it, but the record is there.

Between 1978-79 and 1984-85, the annual domestic ratepayer's bill in Scotland has gone up from £132 to £326, an increase of 147 per cent. My contention is that one of the first and primary reasons has been the persistent and continuing cuts in the rate support grant settlement and other support given to local government. The cuts are being repeated and compounded in this order.

An important point which I am sure will be appreciated by many Conservative Back Benchers is that the Government have planned deliberately. I understand that the assumed rate contribution in district councils, on the basis that they meet their guidelines, is an increase of 34 per cent. and that for the regions the increase is 17 per cent. The Secretary of State is assuming that, if district councils meet their guidelines, the proportion of expenditure to be met from the rate contribution will increase by 34 per cent. Therefore, he is deliberately assuming a substantial increase or else the eating of the seed corn by a raid on what little is left at this stage in the balance of most local authorities.

The answer is that, even if councils do everything that the Secretary of State asks of them, many of them will be faced with a substantial rate increase. We can see that if we look around Scotland. Let us take north-east Fife. The leader of north-east Fife, who is, I think, a member of the Liberal party, was at the COSLA lobby on Tuesday. He told me, and I have no reason to doubt the accuracy of what he said, that the Tory budget last year was over guidelines. The Liberals, for reasons that may have seemed good to them, made cuts to get within the guidelines. This year they are budgeting to stay within the guidelines. That is what the Secretary of State has been seeking and no doubt they will get a gold star for effort. Their reward is that their rate support grant settlement this year has dropped by 49 per cent. and they are faced with a rates increase of 37 per cent.

Let us consider Nithsdale; I know that it is not a local authority that is liked by the hon. Member for Dumfries (Sir H. Monro). He told us recently that it was hellbent on confrontation and illegality. He has a point, because I understand that on budget it will be 8 per cent. over guidelines. Its rate increase will be 45 per cent. Even if it came down to guidelines it would still have a rate increase of 36 per cent. on the arithmetic unless it has something salted away in the chest. That can hardly be satisfactory.

What about Dumfries and Galloway, the region of the hon. Member for Dumfries? It has been within the guidelines from time immemorial, certainly for as long as

there have been guidelines. Again, no doubt it will get brownie points for prudence from the Secretary of State. On 13 December he told the House:

"I . . . greatly appreciate the splendid efforts that various local authorities, including Dumfries and Galloway, have made".—[*Official Report*, 13 December, 1984; Vol 69, c. 1224.]

His gratitude is not reciprocated, because Major Peter Fox appeared in an unlikely starring role earlier this month in the *Daily Record*, talking about a rate increase of 20 to 25 per cent.

COSLA has been making inquiries and information is available in the returns coming to it because everyone is in a position to finalise the figures. I am told that there is a deadline of 31 January for the statutory consultation process. Unless authorities raid balances—in some cases balances do not exist—and cut services below the guideline level, they will be faced with substantial rate increases. I shall not go into them in detail, but the figures for some authorities are dramatic.

Ettrick and Lauderdale is heading for a rate increase of 65 per cent. Eastwood, even if it comes down to guidelines—it is well above them—will have a 57 per cent. increase. Banff and Buchan—I am not surprised that the hon. Member for Banff and Buchan (Mr. McQuarrie) has hidden himself somewhere—has a possibility of a 70 per cent. increase. Angus has fixed an increase of 56 per cent. As the hon. Member for Gordon (Mr. Bruce) pointed out in an intervention, Gordon is contemplating an increase of 129 per cent. In the main, these are people who have come down to guidelines, or are on guidelines or below them, and who can avoid increases only if they can find cash from balances or if they cut substantially to get below the parsimonious and inadequate level of services which the guidelines allow.

The hon. Member for Dumfries said in the House the other day that talk of a rates increase of 30 to 40 per cent. was very much exaggerated; he is in for a nasty shock. These are not the problems of a small number of highly political councillors, as the Secretary of State tried to suggest, nor a matter of profligate, revolutionary cliques hijacking councils with unreasonable policies. I do not think Major Peter Fox would like to be described in that way. It is a case of ordinary, very often Tory, councillors being clobbered by Tory cuts. The people who will pay at the end of the day are the ratepayers whom the Conservative Government so arrogantly and so inaccurately claim to champion.

The average over Scotland will be nothing like as high as the figures that I have mentioned. I have been talking about small district councils and I would not like to give the impression that the average figure will be anything like the individual figures I have quoted. Obviously, the figures for the regions will be lower. District council rates are often quite low, as the rate poundages are low. However, there may be some shocks even among the big boys when their figures are measured against those which the Secretary of State has been claiming. I suspect, for example, that Tayside will not be in the right hon. Gentleman's good books when its rate is finally announced.

I am pretty sure that there will be an average rate well above that predicted by the right hon. Gentleman. That is because he has introduced an inadequate rate support grant settlement. He has placed many of his political friends and many local authorities in Scotland in a trap of his making. His policies threaten the central services and in many areas they will send rates soaring. I challenge any Conservative Member representing any of the areas which I have mentioned to tell me that the figures that I have quoted are wrong or inaccurate. When we consider the impact on services, we see that the Government are guilty of a form of vandalism.

As I have said, the Secretary of State likes to pose as the ratepayers' friend. I believe that he has paid far too much attention to the words of the Chancellor of the Exchequer. The sad result of his almost total subservience is to be seen in the miserably inadequate statement that he has presented to the House.

6.32 pm

Mr. Nicholas Fairbairn (Perth and Kinross): It is a pleasure to take up the remarks of the hon. Member for Glasgow, Garscadden (Mr. Dewar). If I may say so without spoiling the hon. Gentleman's reputation, he always increases his standing in the House by the fluency and reason with which he advances his argument. I am happy to pay tribute to the way he does so, irrespective of whether I agree with all that he says.

I wish to discuss in the presence of my right hon. Friend the Secretary of State the equity of the system by which we have arrived at the order. I am bound to tell my right hon. Friend that, being almost entirely uneducated, I do not understand now the meaning of simple words. I have always understood that if we talked about an assessed need, it meant that someone's needs had been assessed, but it appears that that is not the meaning of "assessed need". Having assessed the need of a local authority, the Scottish Office offers it something different. I stand to be corrected, but it seems that the sum offered by the Scottish Office is always less than the assessment. Either an authority needs the amount which has been assessed or it does not. If a sum has been assessed as necessary, it seems strange that the Scottish Office should put a certificate under the assessment to the effect that the assessed sum is unnecessary.

The local authorities in my constituency are struggling desperately to obey the intelligent thrift which my right hon. Friend has urged upon them. When he assesses their need to be what they say it is, it is strange that he should then give them less than they need which has been assessed.

It is acknowledged that the House has a right to constrain, investigate and scrutinise the spending of other people's money by either elected representatives or officials. That is the essence of political responsibility. I should be the last to do other than congratulate my right hon. Friend on preventing local authorities from extravagant expenditure. As one who has the fortune or misfortune to live both in Fife and in Lambeth, I know the extent to which that power can be exercised. The amount of money spent on the adoption by lesbians of little girls and on male homosexuals who wish to adopt little boys makes the rating of my pinhole in Lambeth greater than the sum which Fife extracts from me for what is termed a grander residence. I understand that there is no difficulty for a local authority in the exercise of its egotism and arrogance to say, "The more we spend, the more potent we are." I am happy with the intention of my right hon. Friend, but I do not believe that it is possible to make the present system equitable. Therefore, I believe that the rating system should be changed.

[Mr. Nicholas Fairbairn]

I take that view because I believe that the system is massively and inevitably inequitable and not because of statements in manifestos or commitments. If those who contribute, apart from the Government, to the revenue of a local authority are categorised, they fall into three. The three categories are industrial, commercial and domestic. Industrial managers and their work forces have no vote on the rating of the premises in which they function. Likewise, those who own shops or commercial undertakings have no vote in the areas in which their businesses lie if they live outside them. As for domestic ratepayers, only the house owner who pays the rates is likely to be concerned about the matter.

I do not want to speak for my right hon. Friend the Secretary of State for Scotland, but I would be surprised if Mrs. Younger, Master Younger or the Misses Younger were greatly concerned about the cheque which my right hon. Friend has to write in payment of his rates. Knowing where he lives, I imagine that he is concerned. Members of the public over a certain age have a vote and rating increases affect the majority of them only socially. Only the householder who pays the rates is affected directly, although I accept that the other members of his household might be affected vicariously.

A huge number of domestic ratepayers receive a rate rebate and the majority of the public benefit from increased expenditure without having to contribute to it. I understand that about 70 per cent. of the population of Greater Manchester are in that position. That is thoroughly inequitable. It is no good saying that if a local authority increases its rate to an unacceptable level it can be thrown out at the next election. That cannot happen, because those who are contributing to the increased expenditure are not those who can vote out the authority. In my opinion, the system is so inequitable that I urge my right hon. Friend to tell the Government that such inequity cannot continue.

When my right hon. Friend attempts to prevent the robbery of the paying ratepayer and indulges in orders, rate capping, restrictions, guidelines and needs assessment, he finds himself alienating everyone. It does not matter whether the individual is a supporter of the Labour party, the Communist party, the Liberal party or the Conservative party. Every local authority in Scotland is upset by the position in which it finds itself. Some authorities are upset because of their pig-headed extravagance in the past, but some of them, such as Perth and Kinross, are upset because, having been thrifty, they are punished for taking that line because of the effect of needs assessment and guidelines. They are punished while those authorities which have been extravagant are rewarded for being extravagant, and are only partly punished. My poor, dear right hon. Friend the Secretary of State discovered that he had set off to be Florence Nightingale and had come back as Jack the Ripper. The system is the reason why that happened.

People write to me asking, "Why don't the English revalue? Why do the Scots have to revalue if the English don't?" God help the English if they put off revaluing, because a volcanic effect will overwhelm them when they eventually do.

Let us consider what happens if the three categories of industry, domestic ratepayers and commerce are derated. I have never understood why industry should be derated. I have always understood why ancient monuments, such as the one in which I live, should be derated. The Opposition keep telling me that my building is not fit for human habitation.

I remember arguing a case — I may have been instructed by the hon. Member for Glasgow, Garscadden — before the Lands Valuation Appeal Court about whether the ripening of a banana was an industrial process. It was held to be an industrial process on the basis of a case in which it was held that the maturing of an object used for birth control was an industrial process.

Why should industry, which cannot put its rates bill against its tax bill, be derated when the domestic ratepayer, who is not derated, cannot put his rates bill against his tax bill? That is thoroughly unfair.

In this revaluation, industry, which is derated, benefits. Commerce and small offices and shops, which are most likely to employ people and affect unemployment figures, are punished most. Those businesses receive no relief and are not derated. The rating of offices and shops in every large and small town in Scotland has prevented a great deal of employment.

The domestic ratepayer will have to pick up from industry what was handed to industry in the last two valuations. Where is the fairness in handing this to the ratepayer? Where is the logic in saying, "We want everyone to be a householder," and then saying, "Make sure, if you are mug enough to become your own householder, that you have the money to pay for it."? That places an inequitable burden on some householders. A great many householders receive rate rebates, so this rating becomes a false tax. The burden will fall on those who cannot afford it—not the very rich or the very poor, but the mugs in between.

I am not criticising my right hon. Friend the Secretary of State. I am appealing to him to change an indefensible system. My right hon. Friend is like the Dutch boy, except that in this case there are many holes in the dyke. My right hon. Friend is attempting to plug the holes with his elegant finger.

I believe that the system is not capable of being contained by my right hon. Friend's procedures. Every year, it has been demonstrated that the system is probably unfair to everyone. The system does not tame the extravagant or reward the thrifty. If does not do justice. It certainly does not—I am sure that this would never be a consideration of a Secretary of State—gain votes or keep votes. My right hon. Friend is in an impossible position. He has grandly defended his order, but there is only one answer to the problem: the system must be reformed, because taxation without representation is contrary to our constitution and our principles. The rating system does just that, and it does so unfairly.

6.45 pm

Mr. Bruce Millan (Glasgow, Govan): I was not surprised to hear the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) attack the rating system, especially in the light of the experience of Perth and Kinross district council. That council already receives no housing support grant from the Government, and next year its rate support grant will be halved. That is what is happening to an authority which, as the hon. and learned Gentleman said, has been loyal to the Government.

The hon. and learned Member for Perth and Kinross might have added, as a reminder to the Secretary of State,

that the Government promised in the 1974 election to abolish the domestic rating system. The Government have produced very little. They have forgotten that promise.

I do not go along with a good deal of the criticism of the rating system, but the effects of successive rate support grant orders from the present Secretary of State help us to understand why there is a widespread feeling in Scotland about the system's inequities and widespread anxiety about the ever-increasing burdens placed on ratepayers.

My hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) dealt comprehensively with the speech by the Secretary of State. As we have come to expect, the speech by the Secretary of State was full of claptrap about how anxious he was to protect ratepayers from additional rating burdens. Because my hon. Friend the Member for Garscadden dealt comprehensively with that speech, I shall deal with some of the major issues that arise from the settlement.

We have the same pattern this year as we have had every year since this Secretary of State took responsibility for rating in Scotland. The expenditure level at which grants will be paid in 1985-86 is unrealistic. There is no chance in 1985-86 of local authorities generally budgeting for the figures provided for in the order. Their budgets will be well above that level. There is some dispute about how far above that level individual local authorities will be, but, taken as a whole, they will not fit the guidelines laid down by the Secretary of State. Their total budgets will certainly be higher than the relevant expenditure provided for in the order.

Every year we have said, "The expenditure provided for by the Secretary of State is completely unrealistic." Every year the Secretary of State has said, "It is a perfectly realistic figure. If only local authorities were sensible and reasonable, they would reach the figure I have laid down."

Paragraph 8 of the statement accompanying the Rate Support Grant (Scotland) Order 1984 stated that £64 million would be added to the provision for the relevant current expenditure for 1984-85. That amount was an increase on the level proposed in the White Paper published a few months previously. The £64 million was added to bring the amount up to a "realistic expenditure" level.

If one says that extra money must be added to bring the amount up to a realistic figure, one says that the previous figure was unrealistic, and that is precisely what the Opposition said at that time. We said that, even with the addition of £64 million, the amount was still unrealistic. Of course, the Secretary of State said that that was not so and that, if everyone behaved himself, there would be no problem. The local authorities budgeted for £114 million above the rate support grant figure. In July 1984, the Secretary of State told the House that he had imposed a penalty on them of £90 million.

We are going through the same process again this year. The Secretary of State talks about a so-called enhancement of £98 million for 1985-86, to make the figures realistic. Why do we need an enhancement if the original figures were realistic, as was claimed at the time of the publication of the White Paper? We said at the time that they were not realistic. We said that there was no hope that in 1985-86, if the Government stuck to the figures, the local authorities would even approach them.

The Secretary of State makes a virtue of the so-called enhancements, but the figures that were used for a number of years were so ludicrously out of scale with actual expenditure by local authorities that they made a complete nonsense of the public expenditure White Papers. The right hon. Gentleman had to enhance the figures, not even to make them realistic but just to prevent that discrepancy between his figures and reality from growing worse each year.

However, at the same time as the right hon. Gentleman enhances the figures with an extra £98 million, he reduces the rate of grant by a larger amount, so that the local authorities are not better off but worse off. The reduction in the rate of grant is greater than the so-called enhancement of the figures. For 1985-86, the amount of rate support grant provided for in the order is less than the amount provided for 1984-85 in the equivalent order last year. The amount of money going to the local authorities by way of grant has been reduced by £6 million, despite inflation and increased costs.

Even if local authorities budgeted for 1985-86 on the same basis as for the current year, and took account of the Secretary of State's ideas about what the inflation rate will be in 1985-86—which will be proved to be an under-estimate — they would still have to reduce their expenditure by about 3·6 per cent. in real terms. The reduction would be somewhat more for the districts and less for the regions. However, they are not going to make that reduction.

The Secretary of State's figures are becoming closer to reality not because of his generosity but for the reasons that I have explained. But the local authority budgets for 1986 will not be reduced to the figures in the order or in the guidelines based on it. There will therefore be the same rigmarole in July. The Secretary of State will tell the House that, because the local authorities have budgeted above the guidelines, he will, unfortunately, have to impose penalties. We understand from a threatening passage in his speech that those penalties will be even more severe in 1985-86 than they were in 1984-85.

The Government's attitude might suggest that there has been some extravagant explosion of expenditure by local authorities in recent years. That is not true. The Secretary of State quoted some Government figures this afternoon. They were given in an answer on 10 January. It was said that, between 1978-79 and 1984-85—in six years—there had been an increase of 2·5 per cent. in real terms in local government expenditure relevant to the rate support grant.

What the Secretary of State did not say was that since 1980-81 there had been no increase at all. In 1984-85 the figures were, in fact, slightly lower than in 1980-81. Over those years, local authority expenditure, in real terms, has been frozen.

The Secretary of State boasts about it. He says that there have been no great cuts. One would think that he had planned for a freeze, but every year he plans for a reduction in the following year—not a freeze. When he cannot get it, he points out that, for instance, the pupil-teacher ratio is not as bad as we had said it would be. However, that will only be because, very sensibly, the local authorities have paid no attention to some of the strictures laid on them by the Secretary of State.

If services have not been slashed, it is no thanks to the right hon. Gentleman. In the first year of his responsibility for the rate support grant, the right hon. Gentleman wanted the authorities in the following year to reduce their services by 7·5 per cent. in real terms. He has more modest ambitions now. He said that that reduction could be

[Mr. Bruce Millan]

achieved without difficulty because there was plenty of fat. That was proved to be nonsense, and in recent years, local authority expenditure has been frozen in real terms.

That, of course, means a real cut. The situation is similar to that in the National Health Service. Unless there is a modest improvement in real terms each year in finance for the NHS, to take account of demographic and technological changes and so on, the NHS deteriorates. The same argument applies to the local authorities. Especially in the urban areas such as Glasgow, but also in rural areas, we all know that because of the increasing demands being placed on local authorities and their inability, because of Government cuts, to meet those demands, there have been real reductions in services.

In the past few years, the reduction in the quality of services has sometimes been savage. Every hon. Member knows in his heart that that is so. Opposition Members have acknowledged the fact and have protested against it whenever we have been presented with one of these orders. The level of the services has not been maintained. There have been real reductions in the quality of the services provided by local authorities—in some cases, savage reductions.

All that might have been justified—although not by me—if, somehow or other, the burden on the ratepayer had been kept to a reasonable level. One could have said to the ratepayers, "You may be getting a worse service, but at least you are not paying for a better one." What is the reality? My hon. Friend the Member for Garscadden mentioned what has happened to domestic rates between 1978-79 and 1984-85. The average bill has risen from £132 to £326—an increase of 147 per cent. In other words, in the current year, domestic ratepayers are paying two and a half times as much as they paid in 1978-79, but receiving poorer services.

What is the reason for that huge increase? First of all, there is inflation. The Government try to blame the local authorities for everything, but they cannot blame them for the level of inflation.

Secondly, there are the constant and consistent reductions in the rate of grants. This is the first time that, in speaking on a rate support grant order, the Secretary of State has not mentioned the reduction of 4 per cent. in one year during the last Labour Government. I will answer that point in any case, as the Minister who replies to the debate may well make it.

When the Labour Government left office in 1979, the rate of grant was higher than it had been when we took over in 1974. It had risen from 68 per cent. to 68·5 per cent. The present Government cannot claim to be following some long-term trend. Between 1974 and 1979 we slightly enhanced the rate of grant. We certainly maintained the real rate of grant to local authorities.

Since 1978-79, the figure has fallen. Last year it was 60·2 per cent. and this year it is 56·6 per cent.—but even 56·6 per cent. is not the correct figure. There will inevitably be penalties during the year, so the real rate of grant will be below 56·6 per cent. It has already been reduced from 60·2 per cent. to 57·7 per cent. because of penalties in 1984-85. Ratepayers are bearing an even greater burden and getting poorer services because of wholesale reductions in grant, not just because of inflation.

We might be comforted if the outlook for 1985-86 was a little better. The sacrifices might have been worth while if the rate burden was unlikely to increase further, but that will not happen. As has been said, Dumfries and Galloway has been a good boy and gone along with the Secretary of State, yet it faces substantial increases in its 1985-86 rate burden. We know that the real increase in 1985-86 will be well above the rate of inflation. Circumstances will be even worse for domestic ratepayers.

The Secretary of State said today that if everyone sticks to the guidelines—they will not—there is no need to worry about domestic ratepayers, as they will face an increase of only 13 per cent. That figure was produced as if it was a triumph. Who is getting a 13 per cent. wage or salary increase in 1985-86? The teachers and local authority workers certainly will not if the Government have anything to do with it. However, the real average increase for domestic ratepayers in Scotland will be considerably more than 13 per cent. We do not know what the increase will be, but it will be far more than 13 per cent.

Even that average disguises large variations in authorities, depending on how the revaluation has worked out. Scottish domestic ratepayers face an average increase of 8 per cent., purely as a result of revaluation. The increase in Glasgow is 18 per cent. That could have been avoided, as there is no need to have a domestic element that is exactly the same—5p in the pound—for every rating authority in Scotland. Labour's legislation of 1975 and the Rating and Valuation (Amendment) (Scotland) Act 1984 provide that the domestic element can be varied according to the circumstances of different areas. The 18 per cent. increase faced by Glasgow domestic ratepayers is not an inevitable consequence of revaluation, because the domestic element could have been adjusted.

The Government, who pretend to be the ratepayers' friend, have not bothered to use the flexibility available to them. The Government have taken ever more dictatorial powers over local authorities in Scotland so that they cannot function effectively as bastions of local democracy, which is what they ought to be and what they were before 1979. They are now subject to more restrictions, controls and dictation from St. Andrew's house. The result is poorer services and higher rates. It is not an attack on elected councillors as such, although that is serious enough, as we understand the anxiety and anger of councillors, not all of whom are members of the Labour party or the Liberal party. The attack on local councillors is an attack on ratepayers and the people of Scotland. They are paying more and getting less, despite all the bland words of the Secretary of State. The responsibility is the Secretary of State's, and the Government's.

7.4 pm

Mr. Gerald Malone (Aberdeen, South): I should like to deal with some general matters before considering some specific constituency ones.

Much has been said about the relevance of local authority expenditure in Scotland in the context of public spending as a whole. The Opposition have made light of that, but the Government are right to ensure that they do not consume more than a certain proportion of public expenditure. I endorse the Government's objective of reducing that proportion. Local authority expenditure

cannot be seen in isolation, as it is part of the Government's attempt to keep public expenditure within certain bounds and then to reduce it.

The Government's White Paper Cmnd. 9428 makes sad reading, as we learn from it that, despite the Government's attempts to bring public expenditure within constraints, they have not so far been successful. It would be nonsense to continue the fight against inflation while ignoring what local authorities do and allowing them to consume an ever greater proportion of public expenditure to finance services. Some Opposition Members have conceded that it is important that inflation be taken into account when local authorities' budget. The Government's general objective of keeping inflation within reasonable bounds will eventually make it easier for local authorities to budget securely.

Although the Government have attempted to hold public spending steady in real terms in the past few years, and will continue to do so, it is vital that we ensure that local authority expenditure is kept within the bounds that the Government set. I am always amused to hear Opposition Members talking about the relationship between the Government and local authorities when it comes to restraining public expenditure. I am sorry to disappoint the right hon. Member for Glasgow, Govan (Mr. Millan), but I do not intend to mention the 4 per cent. to which he referred in a form of pre-emptive strike. However, the system of control started in 1976 in an exceptionally loose form. The Government at that time recognised that there had to be some constraint on local authority spending.

It is interesting to see COSLA's view of what happened in 1976. It said that the guidelines were set out to help local authorities bring their plans within the constraints of overall public expenditure limits which were to be set by the Government. An important principle is enshrined there. It shows and confirms that COSLA's view, when it was probably working with a Government with whom it had political sympathy, was that there was a genuine objective and that it should work within public expenditure guidelines set by the Government. That has changed. It has since become ever more difficult to ensure that local authorities keep within the guidelines. That is why we have had legislation and now have on order on the subject.

Mr. Tom Clarke: I am especially grateful to the hon. Gentleman for giving way, as one of the disadvantages of having a Labour majority in Scotland is that Labour Members listen to more speeches than they make. I heard the hon. Gentleman speak last night, I am listening to him again today, and I might not be able to speak myself. He referred to COSLA in 1976. I was active in that organisation then. In 1976 the guidelines were accepted as indicative, rather than definitive, and were regarded as such by the Government and by COSLA. Moreover, my recollection is that no one had political control in COSLA at that time.

Mr. Malone: My point is that there was co-operation with the principle, which I believe is important, namely, that central Government public expenditure limits should be taken seriously into account by local authorities. That principle has been lost sight of. Over the past eight years there has been a departure from a genuinely helpful principle.

While I am dealing with that point, perhaps I may refer to an intervention during the speech of my right hon. Friend the Secretary of State for Scotland by the hon. Member for Aberdeen, North (Mr. Hughes). I could not understand from the hon. Gentleman's intervention what it is that the Opposition want. I took his remarks to mean that rate income should not be assessed in terms of overall public expenditure totals and that he would be happy if local authorities levied rates up to any amount that they wished without central Government control in any shape or form.

If that is the implication of the hon. Gentleman's argument, it will be sad indeed for the ratepayers of Aberdeen. It is a policy of irresponsibility. It is absurd and naive to suggest that whatever rate is levied, it should not be considered when looking at public expenditure as a whole. Of course what is levied in rates affects the economy as a whole. It will affect the overall demand in the economy by reducing the amount of spending power that lies in the hands of the purchaser. For Opposition Members to say that it is not relevant is to fly completely in the face of the facts.

According to Aberdeen's assessment of the matter, if it abides by the guidelines there will be a rates increase that is totally in line with my right hon. Friend's statement, namely, 13 per cent. Therefore, Aberdeen is an average case. However, that is not what Aberdeen is planning to do. If Aberdeen tries to operate outwith the guidelines, the projected increase in rates is 42·2 per cent. That is an absurd and irresponsible approach for Aberdeen district council to adopt. I hope that it will reconsider its decision before it fixes the rate, so as to ensure that it comes within the Government's guidelines.

The right hon. Member for Govan, from a sedentary position, seems to be saying that 13 per cent. is above the rate of inflation, and I take his point, but he must remember that another element to be taken into account is the change in the balance because of the client group approach and the way in which rate support grant is redistributed between Grampian regional council and Aberdeen district council. It is interesting to note that no representations have been made to me by the Grampian regional council, or by COSLA on behalf of the council, about the formula that has been adopted. Of course there must be a change in the balance. As soon as all the figures are provided, perhaps this will be compensated for by the regional rate when it is fixed.

Mr. Bruce: Would the hon. Gentleman care to defend not only that rate increase but the fact that, of the four cities in Scotland, the Government's contribution to Aberdeen's rate support grant has been reduced from 37·3 per cent. in the previous year to 21·5 per cent., compared with other cities whose grant is either stable or has increased? Would the hon. Member care to defend that policy to the ratepayers of Aberdeen?

Mr. Malone: It depends upon the figure from which the hon. Member for Gordon (Mr. Bruce) is starting. Aberdeen is being treated relatively fairly in the guidelines. It depends upon whether the hon. Gentleman believes that the guidelines are reasonable, or that the inflated budget of Aberdeen district council is reasonable. I suggest that the latter is not reasonable. When one looks at the suggestions of Aberdeen district council to the people of Aberdeen about which items of expenditure should be cut in order to come within the guidelines, one begins to understand the political essence of the argument.

[Mr. Malone]

Aberdeen district council says that it will close the Bon Accord baths, certain libraries and various services, which will hit individual ratepayers. Such closures and cuts are being suggested for political motives. There are many other ways in which the administration of Aberdeen could be pared.

Mr. Robin Cook: How?

Mr. Malone: If the hon. Member for Livingston (Mr. Cook), who is shouting "How?" from a sedentary position, had been here yesterday he would have heard the point that I made, that interest charges in Aberdeen are substantial and that Aberdeen could reduce the capital borrowings upon which it pays those charges by continuing to sell enthusiastically its stock of council houses. There are many ways in which expenditure can be reduced. I hope that Aberdeen district council will think again about its priorities. I assure the House that at least the Conservative group on Aberdeen district council will, during the course of the next few weeks, produce a detailed programme to counter what I believe to be a series of vindictive cuts which are being suggested by the council.

On the question of the client group approach and the way in which it is affecting the distribution of rate support grant, I was very interested to hear my right hon. Friend the Secretary of State make the point in his opening remarks that the client group approach would be continually observed and reviewed with a view to refining the way in which it applies to local authorities. I presume that by those remarks my right hon. Friend meant both regional and district authorities. I hope that he will continue to pursue that policy and the way in which the client group approach is applied to Grampian region as a whole.

My right hon. Friend will be well aware that Grampian region is unusual compared with the rest of Scotland. The population is growing substantially. The client group calculation is based upon statistics which are out of date and which lead to a shortfall in Grampian regional council's entitlement to support from the Government. Although the response that I have received to date from the Government has been negative, I hope that the undertaking that has been given by my right hon. Friend constantly to review the way in which the client group approach is calculated and applied to local authorities, and to Grampian region in particular means that there will be a review of the way in which future formulaes are fixed.

These are extremely complex matters. They will be difficult for some Scottish local authorities to cope with. However, at the end of the day they underlie the Government's commitment to contain public expenditure within resonable bounds. That is the essence of our debate. I do not believe that these matters will have the effect upon local authorities that is being suggested by the Opposition. In some senses they will be difficult to cope with, but it is far from impossible for local authorities to cope with them. If local authorities approach the problem with good will and as constructively as they were prepared to approach it under a Labour Government in 1976, I see no reason why they should not come within the guidelines and be able to make use of the support that the Government are to give them this year, without any real detriment to the services that they offer to their ratepayers.

7.20 pm

Mr. David Lambie (Cunninghame, South): I have spoken in all the rate support grant and housing support grant debates that have taken place since I became a Member of parliament in 1970. Tonight I shall oppose the Government's proposed rate support grant, as I have opposed the rate support grant of not only previous Conservative Governments but previous Labour Governments, including the Labour Government of 1976. I can count my hon. Friends the Member for Falkirk, West (Mr. Canavan) and for Livingston (Mr. Cook) as part of a team that used to organise opposition to the rate support grants of both Labour and Conservative Governments. When we started that campaign we were told that we dare not vote against the rate support grant order because to do so would mean that the local authorities would have no money, their financial structure would collapse and all the workers would be after us because they would not receive any wages.

That was at a time when the rate support grant order was discussed at the end of November. We are now discussing it at the end of January. Luckily, one learns through experience that the advice given to a new Member is not always the correct advice. Labour Members, and a few Conservative Members, have consistently opposed the Government and their financial proposals for local authorities.

We have seen, and we are seeing again tonight, an attack by the Government on the power and resources of local authorities. We have gradually seen a reduction in the power of local authorities and more central control at a time when the burden of taxation has been shifted by the Government from the national to the local exchequer.

I listened carefully to the Secretary of State tonight and I still cannot understand why the rate support grant for 1985-86 has been reduced to 56·6 per cent. of the relevant local government expenditure—a drop from the 1980-81 position of 68·5 per cent. of the relevant expenditure. I cannot understand why the Government do not accept that they are following the Treasury's line of cutting back on public expenditure. When the Under-Secretary of State replies, I hope that he will give us and the ratepayers of Scotland some explanation of why he is following so meekly behind the Chancellor of the Exchequer's policy.

Local authorities have been complaining since 1980-81 that the Secretary of State assumed in his settlements total relevant expenditure which was too low, having regard to the real and urgent needs of local authority services in Scotland, and which showed no significant increase in real terms. I shall not develop that argument, because it was fully developed by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan). He also asked some relevant questions to which I hope we have the answers.

At the same time, the percentage to be met by the rate support grant has been cut year by year, with serious consequences for all Scottish ratepayers. This year the situation has been made worse for district councils by a change in the distribution formula, which has reduced their share of the needs element in the grant from 9 per cent. to 6·5 per cent.

Again, I listened carefully to the Secretary of State for some explanation of such a change at this time — a change in the distribution formula reflecting the percentages given to the regional and district authorities. I received no answer. I hope that the Under-Secretary of

State will try to give us an answer tonight. Why are we making this change at this time when we have all the other changes associated with revaluation?

My constituency is within Cunninghame district. I am sure that the hon. Member for Cunninghame, North (Mr. Corrie) although belonging to a different political party, will recognise that our council has tried to maintain local services and to keep a reasonable level of rent and rates. But it is finding great difficulty in maintaining the services which people expect and keeping rents and rates at a reasonable level. A statement given to me by the chief executive of Cunninghame district council shows a frightening position, especially for the ratepayers.

In the draft estimates for the next financial year net expenditure is up by £211,000—1·29 per cent. over the coming year. That is against a background of a 4 to 5 per cent. increase in the rate of inflation. Therefore, the council has been trying to maintain its services without increasing costs. It will manage to do that, if the estimates are accepted, against a rate of inflation set by the Government of between 4 and 5 per cent.

Because of Government action in taking back part of the current rate support grant, the council will probably start the year at 31 March with a deficit of £200,000. That compares with a credit balance of £700,000 at the beginning of 1984-85. The rate support grant needs element has been reduced by £1,245,000 and is likely to be further reduced, possibly by some £700,000.

There are also serious doubts about the sum that will be received by the council as the rate support grant resources element. I hope that we shall have some information on that, either now or in the near future.

On the proposed budget, the total amount payable by ratepayers will increase by nearly £1·5 million — an increase of 13·01 per cent. over the 1984-85 figure. Of that increase, £211,000, roughly 1·87 per cent., is because of increased expenditure by the council, and £264,000—2·35 per cent.—is because of changes in the balances. Nearly £1 million—8·79 per cent.—is because of the withdrawal of the Government's support through the rate support grant. With that amount of withdrawal, no council can keep within the guidelines and still play fair with the ratepayers on services.

Due to revaluation, it is not possible to compare the rate poundages, as has been stated often tonight, in 1984-85 and in 1985-86. But examples of district rates increases, based on overall changes in the rateable value which we already know, show startling increases for domestic ratepayers. I put those figures to the hon. Member for Cunninghame, North and remind him of them and I hope that he will remember them when he votes tonight.

In public sector housing, we shall see an average increase in rates not of 13·01 per cent., as I have already quoted from the estimates, but, because of the change in the revaluation, of 30 per cent.

The owner-occupier, the backbone of the Tory vote in our area, will face a percentage increase, because of the changes in the revaluation, of 37·25 per cent. I wonder how the hon. Gentleman will explain to all the Tory voters in Arran, West Kilbride, Fairlie and Largs an increase of 37·25 per cent. That is not because of the sensible council's policy but because of policies forced on it by the Government and the implications of not only the housing support grant order but the rate support grant order that we are discussing tonight.

Before the election I represented Central Ayrshire which spread from Cunninghame into the neighbouring district council of Kyle and Carrick, for which at that time I had the honour of sharing responsibility with the Secretary of State. I sometimes doubt whether the district council of Kyle and Carrick still has a Tory majority, because the Tories keep expelling people, but unfortunately the Labour party does so too, which maintains the balance. But giving Mr. Gibson McDonald the benefit of the doubt and assuming that he is still a Tory, even Kyle and Carrick, with a Tory majority, is finding itself in great difficulty in trying to be fair to the ratepayers.

The latest estimates prepared for the council show that an increase of 10·5 per cent. is needed in the average district rate. That is clawback of more than £1 million from local ratepayers. I hope that the Secretary of State can answer the ratepayers in Troon and Ayr for that clobber.

That increase does not take into account the effects of revaluation of domestic ratepayers. Everyone has spoken about that, and I highlighted the case of Cunninghame. The average increase in domestic valuations in Scotland is 17 per cent. The Secretary of State made great play of the fact that he has given a subsidy of 9 per cent., but that leaves 8 per cent. to be met by domestic ratepayers. Will that subsidy of 9 per cent. be paid this year only or will it be paid from now until the next revaluation? If it is only to be paid this year, the Secretary of State is conning our people and getting Tory Back-Bench Members to support the order on the basis that he is giving what in his terms is, a substantial subsidy. If it is only to be paid this year, the Secretary of State will give the authorities nothing in the following four years and Conservative Members will find difficulty in justifying the increases in rates. If we add the two average percentage increases of 10·5 per cent. and 8 per cent., the Secretary of State's own domestic ratepayers will face an extra 18·5 per cent. this year, before any changes. That is a minimum figure.

I hope that the ratepayers of Troon and Ayr have long memories and remember the vicious action by the Strathclyde assessor during the 1978 revalution of their properties. The assessors are now doing to domestic ratepayers what was done in Kyle and Carrick, Troon, Prestwick and Ayr in 1978. I am sorry to say this when the Secretary of State is absent, but he will know that I am not attacking him but drawing the attention of his voters to his previous actions. In 1978, the Strathclyde assessor illegally assessed private houses in Troon, Prestwick and Ayr.

At that time, the right hon. Member for Ayr (Mr. Younger) was in opposition, and there was a Labour Government. He and I had numerous meetings with representatives of the ratepayers associations for Troon and Ayr. Together we led a deputation on behalf of ratepayers complaining about the illegal assessments on private houses by the Strathclyde assessor. I remember going with him to St. Andrew's house to meet my right hon. Friend the Member for Glasgow, Rutherglen (Mr. MacKenzie), who at the time was Minister with special responsibility for rating and valuation. We told him that the Strathclyde assessor had illegally fixed valuations on private houses in Troon and Ayr.

When an assessor fixes valuation levels, he must take into account rent levels in an open market—that is, where there is neither a surplus nor a shortage of houses.

[Mr. David Lambie]

Because there was no rental evidence, the assessor did not carry out the law and use rental evidence; instead he used capital values.

My point tonight is that this year, at the secret meeting before they started to look at revaluations, Scottish assessors decided to do what the assessor in Strathclyde did in 1978 and use capital values, which is illegal.

Following the last revaluation, about 50 ratepayers in Troon appealed to the Lands Valuation Appeal Court in Edinburgh: it has gone down in history as the Troon decision. They won their case because the Ayr assessor refused to provide the evidence on which he based his valuation; he had based it illegally on capital values, since there was no rental evidence. The ratepayers of Troon won their case and got substantial reductions in rates, some of which amounted to more than £1,000. The ratepayers had the full co-operation of the present Secretary of State for Scotland and me.

I was surprised, therefore, that the Secretary of State thought that this revaluation was the best thing since sliced bread. He implied that it was great because the English were losing and were unfortunate not to have had a revaluation since 1973. I was taught to believe that the English were cunning, and I know that they are, because most of their political parties have had the sense to stop revaluation until the rating system is examined.

Why does the Secretary of State not stick to the policy he advocated when he was in opposition? The revaluation must be halted. I know that it is difficult because time is short, but if we do not halt it, ratepayers will face tremendous increases. Moreover, domestic ratepayers, council tenants and Tory voters will be hammered by the new rate levels.

The hon. and learned Member for Perth and Kinross (Mr. Fairbairn) also said that something would need to be done about the rating system. The Tories cannot get away with this. The Prime Minister and her Government remain committed to the abolition of the rating system. Why do they not stand up and say so? Why all this shilly-shallying? It was in the 1974 manifesto, but not in the 1979 manifesto. I am a traditionalist and believe that, if something is in a manifesto, it should be justified and carried out.

The Prime Minister remains committed to the abolition of the rating system. Indeed, it is time that we examined the system. I used to believe in keeping local democracy in the family. That was in the good old days of Labour and traditional Tory Governments—Governments that used to be led by Lord Stockton, who is now making tremendous speeches in another place. But now we are dealing with hard-hearted, first-generation men, like the hon. Member for Stirling (Mr. Forsyth), who have neither heart nor soul, and who look at the balance sheet and carry out anything that goes below the line.

The Opposition want the revaluation halted, and a reconsideration of the system of local government finance. Despite my family's tradition in local government, and the fear of the threat to local democracy, I now believe that we should scrap the rating system. If we cannot find another method, we should use 100 per cent. Government grants. At present, the Government are paying half the money, but they have put many restrictions on the spending of the other half. We wish to return to square one.

To give us time to reconsider the system, we should introduce 100 per cent. Government grants and allow local authorities to work within them to the best of their ability. We shall then know who to blame. It is unfortunate that hon. Members, who must take the decision, are not at the sharp end. When our constituents come to our surgeries and complain that services have been cut, and rents and rates increased, we say to them, "It is not our fault. It is your local councillors' responsibility." But it is our responsibility, and we must protect local councillors.

I hope that many Conservative Members will get off their knees tonight and come into our Lobby to take action against the policies of this Government. If ever action was needed, it is tonight.

7.41 pm

Mr. Donald Stewart (Western Isles): I am pleased to follow the hon. Member for Cunninghame, South (Mr. Lambie), although I disagree with his suggestion of transferring the antagonism of our electors back to the local council. We should tell them clearly that the fault is entirely that of central Government. If hon. Members thought that the hon. Gentleman's attack was robust, they should have met his father. During the 1950s and 1960s I met Provost Lambie of Saltcoats at the Convention of Royal Boroughs; he was fighting the Scottish Office as hard then as the hon. Gentleman is now.

In his opening speech, the Secretary of State put up a couple of Aunt Sallies simply to knock them down. He said that a story being put about by people opposed to the Government suggested that in the old days local authorities were free to spend what they wished. I have long experience of government at town council and county council level, and I do not remember, even in the most comfortable times, being allowed to spend what we wished. The Secretary of State is right: the position was never so cushy that authorities could spend what they wished. However, no one in the Opposition has suggested that there was a time when that happened.

When considering such matters, we must bear in mind the functions that have been laid on local authorities by Parliament. When that was first done, the Government of the day funded those functions properly. However, gradually, the finance for those functions has been withdrawn by the Government, yet they and certainly the local residents expect the functions to be carried out at the same level as before.

The Secretary of State said that another common story was that services in local authorities had been cut almost to nothing. That is also perfectly true. There has been a severe erosion of the services which the public are entitled to receive from local authorities. The Government talk about the necessity for savings, but some of those savings are unwise. The unpainted council house window this year becomes the window that must be replaced in a few years' time. It is extremely short-sighted economy, even from the Government's point of view.

It is completely false to say that in recent years local authorities have gone on an irresponsible spending spree. The Secretary of State said that he appreciated that he was creating problems for some authorities. He is creating problems for them all. The right hon. Member for Glasgow, Govan (Mr. Millan) talked about guidelines, but my local authority in the Western Isles cannot get near to the guidelines laid down by the Scottish Office; goodness knows, it is a mean enough limit for the council to reach.

In 1981-82, the rate support grant for Scotland made up almost 64 per cent. of local authority expenditure. In 1975, it made up about 80 per cent.

Mr. Ancram: The right hon. Gentleman talks about the difficulty that the Western Isles council has in meeting the guidelines. I know that he would wish to be fair. Is it not true that this order will mean an increase in the rate support grant for the Western Isles of £714,000? It is one of the few authorities whose rate support grant will be increased, and I hope that the right hon. Gentleman recognises the fact.

Mr. Stewart: I certainly do, but it falls far short of the amount needed. From the document produced by the council and circulated to all Scottish Members, if the Minister's claim is correct, the council would have received an additional £5·8 million during the past two or three years.

In 1985-86, the rate support grant will make up 56·5 per cent. of local government spending, and less money will be made available next year than this year.

Mr. Tom Clarke: As the Western Isles authority, whose case the right hon. Gentleman is representing so well this evening, is an all-purpose authority, it is impossible for the Minister to make comparisons with regions and districts which, by their nature, have separate functions.

Mr. Stewart: I accept the hon. Gentleman's point entirely.

The current expenditure guidelines, introduced by the Labour Government in 1976 and applied punitively by the Conservative Government since 1981, are not easily understood and seem to be applied arbitrarily and unfairly. The guidelines were recently made mandatory under the Rating and Valuation (Scotland) Act 1984. If they follow the guidelines, which must be applied practically, all Scottish district councils will have to reduce expenditure by as much as 7 or 8 per cent. The average reduction will be 5 per cent., which of course is in addition to any previous reduction.

Yesterday, in opening the debate on housing support grant, the Under-Secretary of State—the hon. Member for Edinburgh, South (Mr. Ancram) — said that the Scottish Office has reached agreement on a formula with COSLA. I know that he did not intend to pull the wool over the eyes of hon. Members, but if that was reported in the press, the public might get an entirely wrong impression. I and the hon. Member for Monklands, West (Mr. Clarke) met representatives of COSLA today, who told us that, in relation to housing support grant and rate support grant, the Scottish Office had united all Scottish councils in opposition to its plans.

Opposition to the policies of the colonial administration in Edinburgh extends beyond the councils. Even the Federation of Self Employed and Small Businesses in Scotland—this should be of some concern to Ministers — has slammed the cuts in rate support grant. The secretary of the federation wrote to the Secretary of State saying that he was "horrified" by the extent of the cut, and he warned that the Conservative party was in great danger of losing traditional areas of support. I sincerely hope that his assessment is correct. The Conservatives may not be unduly worried. They are getting so thin on the ground now that—

Mr. Ancram: We got ten times what you got!

Mr. Donald Stewart: The Conservative party got ten times what we got, but we are on the way up and they are on the way down. The Conservatives in Scotland are like the buffalo in America: there are a few still in awkward pockets, but the great herds have gone for ever.

This year's cuts will be made even more difficult to bear in Scotland because of the impending revaluation. I support the hon. Member for Cunninghame, South in his suggestion that the revaluation ought to be postponed. Because of this the domestic ratepayer in Scotland could be faced with rates increases of up to 25 per cent. in some areas. I could go into more detail and give more facts and figures about these effects, but I want to concentrate now on the underlying problem which has left Scotland in the present situation.

Scotland has been starved of funds by the Government. The Secretary of State, who only performs the role of a colonial governor, is virtually powerless to do anything about the situation. The squeeze on Scotland has been carried out by the English Cabinet and the English Treasury.

I have studied the latest public expenditure plans. In the next three financial years, the Scottish block suffers more cuts in real terms. The estimated outturn for 1984-85 is £6·8 billion. For 1987-88 the figure in real terms will be only £6·2 billion. I want the Minister to deal with that point. Apart from what the Minister is doing for local authorities, the Scottish slice of the cake from the United Kingdom Treasury is being reduced by the Government.

An examination of the situation over a longer period emphasises the cuts. In 1979-80 the Scottish block comprised 5·9 per cent. of the United Kingdom total, and in 1987-88 we will have only 5·15 per cent. The policy will impoverish Scotland, even though we could and should be one of the wealthiest nations in Europe, if not in the world.

The majority of people and political organisations in Scotland oppose the cuts in rate support grant and the policies of the Government towards Scotland in general, but the opposition to the Government will be impotent unless it takes political action to ensure that Scotland does not suffer any longer at the hands of an uncaring and hostile London Government. Those who claim to speak for Scotland can give force to their claim if they join the struggle for an independent Scottish Government. That is the reality which they will all have to face at the end of the day.

7.52 pm

Mr. Michael Forsyth (Stirling): I am grateful for the opportunity to respond to the points made by the right hon. Member for Western Isles (Mr. Stewart) about public expenditure. The test of the wealth of a country, or a nation as he would describe it, lies not so much in how much is spent by the Government, as in how much is created in the private sector. It is odd that the right hon. Gentleman should seek to argue for a wealthy and prosperous Scotland while arguing against the Government's public expenditure strategy, which is to increase the proportion of the gross domestic product not spent by the Government.

While listening to some of the arguments on public expenditure which have been advanced by Opposition Members I was struck by a feeling of astonishment and amazement because, if any criticism is to be made of the Government's public expenditure policy, it should come

[Mr. Michael Forsyth]

from the Conservative Benches. The fact is that the Government have not cut public expenditure at all, and the White Paper published this week makes it clear that the Government have abandoned all attempts to cut public expenditure. They have decided to content themselves with containing it at its present level and achieving a level of growth in the economy that will reduce it as a proportion of the gross domestic product.

As local government is responsible for spending some 51 per cent. of the allocation which is in the gift of the Secretary of State and the Scottish Office, it is surely self-evident to any hon. Member, whatever his political persuasion, that local government must play a part in exercising restraint. This is true for the country as a whole. The proportion is approximately 25 per cent. of all public expenditure.

What is most astonishing in listening to the debate is to realise that no Opposition Member has been honest enough to admit that the problem that we face is that in 1978-79, when the Conservatives came to power, local authority expenditure was 2 per cent. less in real terms than it is now. We have heard of the expectation in the representations of COSLA and in the speeches of some Opposition Members that somehow or other local government should be insulated from the problems which beset the rest of the economy and that local authorities should be entitled, as of right, to expect their incomes to go up in line with or beyond inflation because of their particular difficulties.

I find that remarkable. Do opposition Members not talk to the people whom they represent, to the business community and to people on fixed incomes? Do they not recognise that for the vast majority of people the expectation that their incomes, whether they be businesses or private individuals, can increase year after year in line with or ahead of inflation would be considered absurd? Despite that, all the debate about local government is conducted in that context.

A similar situation exists with respect to manpower levels. After the blizzard which the Government are supposed to have imposed on local government in September 1984, the manpower levels in Scotland stood at 252,000, and in 1976 they stood at 255,000. After the Labour Government had had their go at reducing local authority expenditure and manpower levels, the figure fell to 245,000. Thus, local authority manpower levels today are some 7,000 ahead of what they were in 1976.

Mr. Dewar: What about housing benefit?

Mr. Forsyth: The hon. Gentleman asks about housing benefit. Not even this Government, whom he claims are vindictive in their attacks on local government, have tried to do what his Government did, which was to cut manpower levels in one year by some 10,000. Would that they were able to achieve that, and would that they were able to have the sort of support that Opposition Members gave to the then Labour Government. Indeed, as my hon. Friend the Member for Aberdeen, South (Mr. Malone) pointed out, COSLA gave its support with enthusiasm. It is astonishing that the guidelines presented then were guidelines to assist local authorities.

Mr. Tom Clarke: It astonishes me that the hon. Member for Stirling (Mr. Forsyth) should present himself as a historian on COSLA. Has he enough respect for COSLA and for local government to read the record of that period? If he does, he will find that COSLA was opposed to the manpower reductions. If he has any doubts about that, will he consult the then vice-chairman, who happened to be myself, and I will confirm that that was so?

Mr. Forsyth: I am grateful to the hon. Gentleman. Perhaps he could take the matter up with my hon. Friend the Member for Aberdeen, South, whom I may have misrepresented, and I take the hon. Gentleman's word for it and withdraw what I said.

If I take what the hon. Gentleman says at its value, no doubt when I read the record I will find that COSLA said that it was impossible to achieve these reductions, that there would be endless hardship and that local government would suffer. The fact that the then Government managed to do this shows what COSLA's special pleading is worth. We hear this special pleading from local government in terms of its right to have its resources increased over and above inflation year after year and we have seen the political irresponsibility of many local authorities which supposedly care about their constituents. We have seen the phenomenon of local authorities deliberately making cuts where they are going to hurt most, where they will result in the biggest newspaper headlines and where they will have the greatest impact on the local community, despite the sure and certain knowledge that they could achieve economies without imposing hardship.

Mr. Donald Stewart: Where?

Mr. Forsyth: If the hon. Gentleman is patient, I shall endeavour to deal with that.

I deal next with two authorities in my area, Stirling district council and Central region. From my correspondence as a Member of Parliament, I was astonished to find that as a result of Government cuts, Central region does not have enough money to fit a handrail to an old lady's bath. I find that Central region cannot operate community buses any more. I also find that there is no money to teach music and special subjects in the schools, and that the district has no money with which to carry out repairs and maintenance. The region apparently has no money for repairs to roads, and the district has no money for the pavements. The region apparently cannot do anything about flooding or any of the other things, because of Government cuts. Central region cannot do anything either about helping teachers where alterations have been made in mid-term.

All of those things involve relatively small sums of money — *[Interruption.]* The last case that I cited involved Killearn primary school. The authority does not have enough money to avoid disruption to all the classes in that school in the middle of the year, because that would cost £11,000 and it would incur penalties if it spent that money, but of course that is not true. The council does not have £11,000, but it has £250,000 to give to striking miners' families. Oh yes, it can do that! Fife has £1·5 million to give to striking miners' families, Glasgow has £30,000 and Edinburgh has £25,000, as well as £5,000 to give every month to striking miners' families. Of the 326 miners' families in the Edinburgh area, 274 have gone back to work, so Edinburgh is supporting not the mining community, but the political activists.

The list is endless and I could go through authority after authority. For example, Falkirk, Stirling and Clackmannan have £3,000 a week to give away, yet they have the nerve to argue that they do not have the resources with which to carry out their basic functions. I have just seen my district council. Apparently, six councillors need to come to Westminster to lobby me without having made prior arrangements. They put in green cards without telling me that they were coming, so it took some time before we met each other. It took six councillors to come to tell me of the council's views on the Government proposals.

As I live in the constituency and am in Stirling virtually all the time when I am up there, that seems astonishing, but it is even more astonishing that I have not seen those councillors in the Gallery listening to the debate, although I arranged two tickets for them — [HON. MEMBERS: "They were there."] They may have been there earlier, but they are not here now and they seem to have misinterpreted the meaning of the phrase, to make one's case at the Bar of the House. If local authorities expect to be taken seriously about expenditure, it is high time that they showed themselves to their ratepayers and to the Government as being concerned about expenditure levels.

Mr. Dennis Canavan (Falkirk, West): The hon. Gentleman should not insult councillors who made a long and difficult journey to Westminster to get hold of him. Many of us know the difficulty of getting hold of the hon. Gentleman in his own area. He does not even advertise exactly where his surgeries are, and constituents have to be vetted by the local party machine before they get an interview with him. I know, because I am a constituent of his. On more than one occasion, when local authorities have arranged meetings with all the local Members of Parliament, the Labour Members have turned up to a man, while the hon. Gentleman has not even bothered to do so. No wonder those councillors had to come to London to get a grip of him.

Mr. Forsyth: I am grateful to the hon. Gentleman for that intervention. If he has something to say in the debate, I hope that his argument will be a little firmer. As he well knows, my surgeries are advertised regularly. There is one this Friday, which will have 10-minute appointments, and which will last from 2.30 pm to 6.30 pm. The hon. Gentleman knows that only too well. I mean no offence to him or to other Opposition Members, but there is a tendency for meetings to be fixed and for invitations to be sent to me at seven days' notice. I must say to those Labour Members in Central region that I do not know how they manage to represent their constituency interests if they are available at that sort of notice to attend meetings with Central region. I am busy meeting people in my constituency and doing my job as a Member of Parliament——

Mr. Deputy Speaker (Mr. Harold Walker): Order. I think that we are moving away from the subject of Scottish rates. I hope that the hon. Gentleman will address his remarks to that.

Mr. Forsyth *rose*——

Mr. Harry Ewing (Falkirk, East): The hon. Gentleman told a lie about why he did not come. He was on television.

Mr. Forsyth: I ask the hon. Gentleman to withdraw that remark. Will he withdraw it? He said that I told a lie about being unable to attend and that I was on television, but that is untrue. The hon. Gentleman is referring to a letter. Will he please withdraw his remark? I shall give way to the hon. Gentleman so that he can do so.

Mr. Canavan: I shall speak now, Mr. Deputy Speaker. Thank you very much. I am glad to have an opportunity to follow the hon. Member for Stirling (Mr. Forsyth)——

Mr. Forsyth *rose*——

Mr. Deputy Speaker: Order. I thought that the hon. Member for Falkirk, West (Mr. Canavan) was responding to the remarks of the hon. Member for Stirling (Mr. Forsyth).

Mr. Canavan: I thought that the hon. Member for Stirling had finished his speech, and I was about to begin mine.

Mr. Deputy Speaker: I call Mr. Forsyth.

Mr. Forsyth: I had asked the hon. Member for Falkirk, East (Mr. Ewing) to withdraw his remark. He said that I had told a lie and that I was on television. That is completely untrue. He knows that I wrote a letter to Central region explaining why I could not be at the meeting. I think, from memory, that I had five or six engagements that day, of which appearing on television was one. The television interview was live at the BBC, and was at 11 pm. I take it that the meeting did not go on until then. Will the hon. Gentleman please withdraw his remarks? I give way for him to do so.

Mr. Deputy Speaker: I do not know which hon. Member is being referred to. I did not hear the remark that is alleged to have been made.

Mr. Forsyth: It seems to me——

Mr. Ewing: I did not rise earlier, because the hon. Member for Stirling (Mr. Forsyth) has not yet been here long enough to assume the powers of Mr. Speaker or Mr. Deputy Speaker. I assumed that he would appeal to you, Mr. Deputy Speaker, and would not take your powers unto himself. However, I stand by what I said. The hon. Gentleman wrote a letter to Central region saying that he was at the Wallace high school in Stirling, when in fact he was on television. I shall not withdraw my remark, because it is absolutely true. The hon. Gentleman knows it to be true, and I shall not in any circumstances protect the hon. Gentleman from his own folly. He said that he was at an evening engagement — a cheese and wine party at Wallace high school — when he was on BBC television debating the miners' dispute and attacking the miners.

Mr. Forsyth: I do not want to take up too much time, because there are more important matters before us, but I went to the "Any Questions" session at the Wallace high school, stayed for a glass of wine and drove straight to Glasgow and appeared on a programme. We will get that information confirmed. I hope that the hon. Gentleman will have the good sense and courtesy to withdraw his remarks——

Mr. Deputy Speaker: Order. Now that he have had explanation and counter-explanation, can we get back to the subject under debate?

Mr. Forsyth: I apologise, Mr. Deputy Speaker, but it really is too much that the argument seems to have been given over to personal abuse.

Stirling district and others have said that they are concerned about housing. Although we are not discussing housing tonight, it is indicative of their attitude to expenditure that they refuse to go out and sell council houses, although they say that they are concerned about housing, and Scottish authorities can use all of their receipts for housing purposes. It is astonishing that my district council can say that it is concerned for the ratepayer——

Mr. Younger: I am sorry to interrupt my hon. Friend, but it was in the clear hearing of every hon. Member that the hon. Member for Falkirk, East (Mr. Ewing) stated that my hon. Friend had told a lie. Irrespective of the issue, I think that that is an unparliamentary expression and it would be helpful, Mr. Deputy Speaker, if you could clear up the matter.

Mr. Deputy Speaker: As I have said, I did not hear the remark. If it was made by any hon. Member about any other hon. Member, it was certainly unparliamentary and discourteous and should be withdrawn.

Mr. Ewing: In the interests of good order and to facilitate the debate—and in due deference only to you, Mr. Deputy Speaker—I withdraw the remark. I do so if I have offended you, Mr. Deputy Speaker.

Mr. Forsyth: I am grateful to the hon. Gentleman for his courtesy in withdrawing the remark.

I find it difficult to believe the representations that are made, for example by Stirling district council, to the effect that the Secretary of State is so reducing the rate support grant that it is unable to provide services, when that council can find £50,000 for Christmas lights, can put on laser displays, can combine with other authorities and the Central regional council to deliver through letterboxes at Christmas time a board game in four colours, supposedly to explain the difficulties of running a district council on a tight budget, can spend £10,000 on setting up a women's committee and can send councillors on beanos not only to Westminster but to East Germany. The tragedy is that those councillors were not given a one-way ticket.

Mr. Dewar: The hon. Gentleman should accept that this has been an exceptional week in the House of Commons, with the whole district council policy committee of COSLA being in attendance at the House. Its members came here to brief hon. Members, which they did most effectively, though they had some difficulty in catching up with most Conservative Members.

On the substantive point, the hon. Gentleman will be aware that the needs element of Stirling's rate support grant has been cut from £1·6 million last year to £800,000 this year. Does he think that that is fair and just? Does he support that cut of 50 per cent. in the needs element of Stirling's rate support grant?

Mr. Forsyth: Not only is it fair and just, but, in view of the way in which Stirling district council has wasted resources, it is, if anything, over-generous. I am conscious of the passage of time, otherwise I would give a longer list of examples of the activities on which that council is spending money. Not only is it indulging in extravagant expenditure, it is incurring open-ended expenditure. For example, it has said that it will sue the National Coal Board and, if need be, take the case to the House of Lords, over the closure of Polmaise.

Mr. Gerald Howarth (Cannock and Burntwood): Although I do not represent a Scottish constituency, my hon. Friend might care to acknowledge that, for example, in Cannock we had Christmas lights for the first time in 14 years, and those lights were funded entirely by voluntary subscriptions.

Mr. Deputy Speaker: Order. We are dealing with Scotland, not Cannock.

Mr. Forsyth: I am grateful to my hon. Friend the Member for Cannock and Burntwood (Mr. Howarth) for making that point. Indeed, I put it to Stirling district council that it might get the local business men, whom we were told benefited from the display, to pay. The council responded that the business men much preferred the district council to pay.

Mr. Canavan *rose*——

Mr. Forsyth: I have given way generously. I hope that the hon. Gentleman will forgive me for not doing so again, although I always find his interventions entertaining.

Even more worrying is the way in which some district councils are not only being extravagant in their expenditure, but are using it for political purposes, and in so doing are going out of their way to undermine the need to obtain value for money for their ratepayers. I have in mind a resolution passed by Stirling district council not to allow to tender firms associated with, or which had as customers, companies which crossed miners' picket lines —*[Interruption.]* I understand that that resolution has been circulated widely among other authorities.

Another example is that of Dumbarton, which has excluded Tarmac from its tender list on the ground that that company once did work at Greenham common. That is disgraceful, for it is a clear attempt to prevent competition and the ratepayers from getting the best value for money.

My right hon. Friend will have received a large number of representations about hard-pressed authorities, and I have spoken of Stirling. However, there are others. For example, Edinburgh can find £1,100 for posters about Chile and can support "Scientists Against Nuclear Arms". It can find £2,000 for a miners' wives art exhibition and money to support the Scottish Labour party history society, which presumably will not be a long-term open-ended commitment. It can also find money for a number of other groups. Indeed, it found a total of £37,000 for donations to Left-wing causes and groups.

While I welcome the order, I hope that my right hon. Friend will focus attention on the abuses that occur, because ratepayers find it difficult to understand how it is possible for local authorities to continue to sting them and incur expenditure in the ways that I have described.

I listened to the representations made by COSLA, and I pay tribute to the care with which it prepared its case. It is clear that the rating system is creaking. There is a feeling abroad that we may be testing it to destruction. As a system, it is not only unfair and bears no relation to the cost of the services provided, but it has clearly demonstrated that it is capable of encouraging irresponsible rating and other actions by local authorities.

I wonder how long the Government and my party can hide behind the need for general agreement. We did not

go for general agreement when we decided on our policies, which I fully support, for example, of denationalisation or the introduction of Trident. The time and energy of Ministers and their civil servants would be better spent finding the means for reform rather than for controlling irresponsible authorities.

I find myself in curious agreement with the hon. Member for Cunninghame, South (Mr. Lambie), in that he has come full circle and wants a system by which 100 per cent. of the funding comes from central Government, yet he complains about the Government controlling local authorities from the centre. I believe that 100 per cent. funding by central Government would represent the worst of all worlds.

However, I agree with the hon. Gentleman that the rating system may be at the end of its days. Accordingly, I ask the hon. Gentleman to consider the idea of a poll tax, and I would go with him in funding education from central Government. We should, at the same time, increase benefit levels and pensions to reflect the average level in Scotland of poll tax. Everybody would then have an incentive to see that local authorities behaved responsibly.

I hope that my right hon. Friend will recognise that he has enthusiastic support from these Benches for what he is doing, that we have not been taken in by the arguments of Labour-controlled councils and that we are concerned about the pressure on the rating system due to their irresponsibility. We are concerned for Conservative councils which have behaved responsibly but which are suffering. We are looking for radical change.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. If the debate is to conclude at a reasonable hour, hon. Members will have to exercise more restraint in the length of their speeches.

8.19 pm

Dame Judith Hart (Clydesdale): I shall not even attempt to follow the hon. Member for Stirling (Mr. Forsyth) in his astonishing exercise in how to make friends and influence people. I think that he made more enemies in his lengthy speech than most people do in a lifetime in the House. I shall not attempt to follow his nonsense.

I have one thing in common with the hon. Gentleman. Tonight I shall speak about a council the political opinions of which I do not share. The hon. Gentleman does not share the opinions of his district council — that is abundantly clear. Hamilton district is in my area. Its concerns are great; it is deeply alarmed about all that is happening, particularly about the housing support grant, which was discussed yesterday. However, my major council is Clydesdale. The Secretary of State talked about highly political local authorities. Like the hon. Member for Stirling, he uses the word "political" to describe anything with which he does not agree.

Clydesdale has a majority that is predominantly Conservative, with a couple of Right-wing Scottish Nationalists. Therefore, my party is in the minority. I have seen my council and it has asked me to express to the Secretary of State its deep alarm at the consequences of the level of rate support grant that it will receive this year. It has been a comparatively well behaved council, by the Secretary of State's standards. It exceeded his guidelines in 1983-84 by some 14 per cent., but it believes that at the outturn of 1984-85, in a month or two, it will probably be shown that it is within the guidelines or very near them.

My area, in which Clydesdale district council is seeking to carry out its obligations to provide services, has a male unemployment rate that has hovered between 23 and 25 per cent. for the past two or three years. Most of the unemployed are long-term unemployed, and therefore on supplementary benefit. So quite a lot is needed, particularly for the young people who are unemployed, yet Clydesdale will have to have a standstill budget with no improvement in services in the coming year. It projects that it will need a 4p increase in the rates, which is an increase of 16·3 per cent. In the region, because of revaluation, it is expected that there will be an 18 per cent. increase. Therefore, Clydesdale will face high increases in rates, and it will be difficult for the council to provide the minimum level of service.

I should like to take up one point of detail to illustrate the nonsense of what is being done. The assessment of expenditure needs under the client group approach, is laid out in the Secretary of State's circular. There is an assessment of expenditure needs for Clydesdale district council for several different services. I should like to refer to two minor points first. According to the Secretary of State, in the coming year of 1985-86 there will have to be a reduction of 0·8 per cent. on environmental health and 0·6 per cent. on cleansing. I do not know how any authority can reasonably cut cleansing. I do not know what one has to do to cut cleansing. The streets do not stay cleaner because there is 0·6 per cent. less in the budget.

Mr. Ancram: Privatise the service.

Dame Judith Hart: The Minister may prefer that, but the normal consequence of privatisation is lower than average wages. As the wages in my part of Clydesdale are abysmally low, I do not think that there is an answer in that.

Perhaps the hon. Gentleman thinks that this service should be privatised. The major point in Clydesdale's projected budget to which I should like to draw attention is administration of housing benefits. In the coming year there will have to be a reduction of 25 per cent. in the budget for administering housing benefits, yet there is a rapidly increasing number of long-term unemployed on supplementary benefit, which means that the proportion of the population of Clydesdale entitled to housing benefits, which must be administered by the council, is growing massively. How does a council cope with that problem with a 25 per cent. reduction in its budget? Perhaps the Minister has an answer, but I cannot find one.

Because of the high unemployment there are many needy people. Strathclyde region will have less to spend on community services and social work. It is a crazy business when the Government provide less to meet a need that is so clearly and devastatingly growing.

What is the background to all that? Some Conservative Members have said that we in the Opposition do not seem to understand what the economic basis is. Sometimes some of my hon. Friends talk as if the Secretary of State for Scotland is really quite a decent chap, but is just making mistakes and cannot win in the Cabinet against the Prime Minister and the Treasury. I wish that the right hon. Gentleman were present to hear me say this. I do not think that he is losing. He has shown himself to be as committed as any of the driest people in the Cabinet to the monetarist economic policies that the Prime Minister and the Government are pursuing. What is happening to rate

[Dame Judith Hart]

support grant and housing support grant is all part of that. It is not simply that one asks local authorities to cut their public expenditure; it is rather that one asks them to cut public expenditure so that there may be reductions in taxation. On the whole, that is the Government's policy.

The Government resist demands for increasing public expenditure as an employment-creating measure. Many of the aspects of increased public expenditure that are job-creating fall within the direct range of local authority spending, such as sewerage, roads, and house building, modernisation and repairs, which are all highly labour-intensive. Those services which offer possible future employment are being cut by the steps that the Government are taking.

The Government tell the local authorities that they may not engage in increased public expenditure, and in many cases they have to cut it in real terms. The Government say that in any case the ratepayers will have to pay an increase of anything between 15 per cent. and 50 per cent. in their rates. However, at the same time as doing that the Government are deflating further because they are taking money out of the economy. They are reducing consumer demand by allowing the ratepayers less money to spend on items that at least might represent a small stimulus to the economy. Of course, the situation will become worse.

The Blue Book on expenditure plans, which we debated on Tuesday, shows the expected plans for the next two years for local authorities on a United Kingdom basis. The increase in total spending by local authorities is to decrease at a rate well below that of inflation. In other words, real cuts are predicted for each of the next three years, allowing for inflation. Therefore, we are targeted on a programme that will have a severe impact on the economy and on the ability of local authorities simply to provide the necessary services, let alone improve them.

The difficulty is that among Scottish Conservative Members there are not the rebels whom we have seen in local government in England and Wales. What we have is the rebel who would like to go a great deal further, the sort who regards his Prime Minister as somewhat dangerously to the left, if we are to take the speech of the hon. Member for Stirling as an example. Nobody on the Conservative Benches has the courage to say that this is the wrong way forward. I can think of many right hon. and hon. Members who are prepared to do so in debates on rate-capping and local authority expenditure in England and Wales. What is wrong with the Scottish Tory Members of Parliament?

Mr. Canavan: They are all gutless.

Dame Judith Hart: My hon. Friend uses a word that is too indelicate for me to use, although I am prepared to accept it.

Mr. Canavan: They are spineless.

Dame Judith Hart: That word is not too indelicate. They are spineless. Not only do they lack courage, they lack the understanding to realise what they are doing and just what the Secretary of State is doing.

If there was ever a time when I thought that the Secretary of State was a nice sympathetic chap who, at the behest of the Cabinet, was having to do some rather nasty things that he did not go along with, that idea has disappeared out of the window.

We have heard that one day the right hon. Gentleman may become Secretary of State for Defence. He would have a real problem there, because big decisions will have to be taken about Trident. Earlier, we were asked what we would do to get more money for the local authorities. The answer is to cut out expenditure on Trident, settle the miners' strike instead of going hell bent for confrontation and save money there, increase public expenditure in general and reduce the amount of unemployment and supplementary benefits that have to be paid, and do something about finding a solution in the Falklands. All those taken together would result in a nice increase in expenditure for my council, which would be able to improve its services rather than cut them.

This is a disastrous evening for local government in Scotland. Most of all, it is a disastrous evening for the people who will suffer from the inability of local authorities to meet their needs.

8.31 pm

Mr. Malcolm Bruce (Gordon): The little ding-dong that we had earlier was a little unfortunate, because it obscured the fact that the Secretary of State's argument cannot be viewed in purely party political terms. As many hon. Members have said, the facts of what he is doing do not stand up to analysis. It is a pity to obscure that with rhetoric we have heard, particularly from the hon. Member for Stirling (Mr. Forsyth), who might have done better to recognise that many Conservative councillors are concerned about what the Government are doing to their councils and to their local communities.

We hear some of the general things that are simple facts and not party political matters. The latest settlement represents a reduction in the Government's contribution to local authority budgets, from 66·7 per cent. in 1981 to 56·6 per cent. now. That means that local authorities' overall total allowable expenditure—it is not money that the Government have given them, but what the Government are allowing them to spend—will go up by 5 per cent. Across the board, that means no growth. However, for that no-growth budget, the ratepayers will have to find, on average, 15 per cent. more next year, and the average varies considerably. For district councils, the figure is 34 per cent. on average, with some wide variations.

As has already been said, the Government are in no position to suggest that they have done anything for the ratepayer since they came to power, as they have consistently been instrumental in forcing up rates and reducing services. Therefore, it is no wonder that the National Federation of Self Employed and Small Businesses is so angry and frustrated by what the Government have done. It realises, and it has made clear that it realises, that its argument is not with the local authorities but with the Secretary of State. As the secretary of the federation said about the Secretary of State:

> "We are ready to meet him at any time. The Government are the major cause of rate rises in 1985-86, and perhaps we are wasting our time talking only to local authorities under the mandatory Consultation with Non-Domestic Ratepayers".

If the Government have upset a body such as that, they have few friends north of the border.

The districts are facing particular difficulties as a result of this settlement. Their share of the total settlement has been reduced in one year from 9 per cent. to 6·6 per cent., which is a cash reduction of £36·4 million. No wonder that

the settlement has been greeted with widespread dismay. The district councils have been faced with an impossible task. The hon. Member for Stirling may like to rant about Stirling council, but that is not the only council that has complained. Authorities such as Nairn, Gordon, Perth and Kinross, Ettrick and Lauderdale, hardly bastions of the Socialist revolution, or determined to bring down the Government and defy them at all costs. When such councils feel like that, the Government cannot defend what they are doing. They are hopelessly undermining the mutual respect that should exist between Government and local authorities.

While the district councils have been excessively penalised, it would be folly to pretend that the regional councils have benefited. Once or twice, the fact that the regional councils have been given slightly more of the allocation has obscured the fact that there is still a reduction. Their allocation has been cut by £24·6 million, which is just under 2 per cent.

Given that the public expenditure figures have been produced this week, it is worth looking at some of the major sectors where the cuts will fall. The hon. Member for Glasgow, Garscadden (Mr. Dewar) referred particularly to education, which is the biggest single item within local authority expenditure, and the major item for regional councils. However, the total allowable increase in local authority spending for education is 3·9 per cent., which is below the level of inflation. The Secretary of State may say that we have falling school rolls, but most people would have thought that that was an opportunity to re-invest in education rather than cut it. In real terms, with the allowance for inflation, local authorities should have been allowed an extra £20 million for their education budget.

Mr. Gordon Wilson (Dundee, East): Does not the figure that has been quoted for education in the public expenditure White Paper, and the reductions that are due to take place, effectively put into perspective the offer that the Secretary of State for Scotland was making to the teachers, saying that there might be benefits for them if they would accept his phoney terms and conditions for negotiation? Obviously the Chancellor of the Exchequer has not been told that.

Mr. Bruce: I agree with that point, and I was just about to come on to deal with it. In the total education budget, including the Scottish Office section, there is a cut of £61 million in Scottish education for next year. That is a cut of 4·5 per cent. when, simply to protect education in real terms, there should be an increase of £96 million. If we had such an increase, there might be realistic discussions about how the teachers can be properly rewarded and how we can have a realistic framework for negotiations. As the hon. Member for Dundee, East (Mr. Wilson) has rightly said, the Secretary of State's offer means nothing when his budget shows that there are no conceivable resources in it to meet any realistic, sane or fair settlement. The teachers are right to dismiss the Secretary of State's offer as the demonstration of bad faith that they know it to be. The Secretary of State is in no position to offer it, and that is regrettable.

The practical consequences of this problem in education can be stupid, to say the least. Some years ago, the regional council in Grampian decided, perhaps because it had been motivated by the enthusiasm of a former Secretary of State for Education and Science, now the Prime Minister, to cater for pre-school children, and to build some nursery schools. There are two custom-built nursery schools in my constituency that have never functioned as nursery schools. My constituency has the highest number of pre-school children of any constituency in Scotland. Despite that, such custom-built nursery schools are not open and not providing facilities.

In the same local authority area, in the city of Aberdeen, 45 per cent. of pre-school children go to nursery schools. In Gordon district, under the same local authority, 4·5 per cent. go to nursery schools. Yet in Inverurie, the main centre of Gordon district, there is a nursery school that is not open. Understandably, the people are campaigning hard, with my full support, for it to be opened. That is not sensible budgeting by the Government. It is stupid and provocative to local communities.

The districts and regions that make up my constituency represent a good cross-section of Scottish local authorities. Gordon district is a non-political council; the city of Aberdeen is Labour-controlled and Grampian region has a minority Tory administration. Yet all of them are equally angry about what they are being asked to do.

When I intervened in his speech at the start of the debate, the Secretary of State was unable to give a satisfactory explanation of why Gordon district, even with a no-growth budget increase of 5·5 per cent. on last year, within guidelines, will be recommending a 100 per cent. rate increase. The rate increase would be 138 per cent. if the council did not have reserves from last year to draw on. No rational person could believe that that was justifiable. The Secretary of State cannot possibly defend it.

It is perhaps worth reminding hon. Members of the peculiar nature of Gordon district as a council. It has a population growth running at an average of 4 per cent. to 5 per cent. per annum. In 1975, the population was 47,000; it is now 68,000, and the projection for 1990 is 80,000. Yet it is not able to meet even the inflation rate, never mind the population growth, and will have to double its rate. I should make it clear that the total rate for Gordon district includes the regional rate, but that does not resolve the problem.

Mr. Ancram: I am sure the hon. Member wishes to be fair. He can perhaps confirm that the rate in Gordon at the moment is 9p in the pound and is one of the very lowest in the country. When he talks about the difficulties that it is facing, he could perhaps confirm that in the current year it has budgeted for a balance of £789,000, which is about 85 per cent. of its rate income. If it is concerned about ratepayers because of some of the pressures that are necessary, does he not think that it could help the ratepayers by using some of that balance?

Mr. Bruce: If the council had not had last year's balance to draw on, the rate would have gone up even more. In its budget it is no doubt anticipating what will happen next year—the total withdrawal of Government grant. If the Minister can give me an assurance that that will not happen, I may be able to persuade the council to budget for slightly less of a surplus. Given that the grant has been cut this year, it is arguable that the council is not being imprudent. Certainly it has not been rewarded for its prudence in the past.

[Mr. Bruce]

Grampian regional council, which covers a wider area, has sustained a population growth averaging 1 per cent. For a 4·5 per cent. increase in its budget next year, within the guidelines, it will be proposing a rate increase of 12·5 per cent., three times the rate of inflation. That is not defensible. Hon. Members will appreciate that a 4·5 per cent. increase in the budget is a real cut because there has been population growth.

The client group method of assessing rates seems to be unfair in its application to a number of areas. Although many people argue that the client group approach is fairer than the previous ways of assessing rates, nevertheless it contains an element of historical analysis which means that high-spending authorities benefit more than prudent authorities. It does not take proper account of authorities which have high growth rates, because the figures for population are out of date. Consequently, authorities are penalised. Its speedy implementation means that it is difficult for authorities which are losing on the system to adjust. The Minister should give an assurance that the phasing in of this system will take the four or five, or more, years originally suggested rather than the two or three years that appears to be the case.

Over the last few years the contribution to the regional council has been reducing, compared with that to other regions in Scotland. It might be argued that Grampian is more prosperous and could expect that. Given the growth in the area, the extent of the reduction in grant has been unfair. In 1977-78 Grampian had 8·83 per cent. of the population and got 8·41 per cent. of the Scottish total. In 1985-86, with 9·85 per cent. of the population, it will get 8·74 per cent. of the total. The Government's contribution to Grampian has fallen from 75 per cent. to 52 per cent., which is less than the overall average.

The third council which completes the representative group in my constituency is Aberdeen city. The hon. Member for Aberdeen, South (Mr. Malone) is not here at the moment. It is easy for him to play party politics with the budget that the Labour group wishes to set in Aberdeen city, but it is inescapable that, if Aberdeen were to follow the Government guidelines, it would have a 6·5 per cent. reduction in services for a 13 per cent. increase in rates.

The hon. Gentleman mentioned the closing of Bon Accord baths and the proposed closure of branch libraries. These proposals have been through the relevant committees and no counter-suggestion came from the beleaguered and diminishing Conservative group. If the Conservative councillors feel so strongly about it, one would have thought that they might have put forward alternative suggestions. So far as I can discover, they made no contribution to the debate. This is probably why they will soon disappear altogether from the council, and the sooner the better.

In the city of Aberdeen there will also be rent increases of nearly £4 a week. The popular view of north-east Scotland, including Aberdeen, is that it is full of oil-rich people. The housing manager in the city of Aberdeen estimates that, after the rent increase that will be required because of the Housing Support Grant (Scotland) Order passed by the House yesterday, 75 per cent. of council tenants will be on housing benefit in that supposedly oil-rich city. That is the achievement of the Government. When they try to play cheap party politics, the Government should remember that there are ordinary peoople at the bottom of the calculation who have to try to make ends meet and who are getting little help from the Government under the order that we are debating.

The settlement is unreasonable in every way. The Minister will not impress people outside the House if he chooses to play cheap party political games when the facts staring him in the face are that he is forcing up rates for a reduction in services in every council. He is doing so in a way that is unjust and unfair even by his parameters—that the councils that have followed Government policy have been penalised just as much as the rest. There is not much incentive for councils to be responsible when the Government treat them in that way. Proper account should be taken of the population growth in the north-east. If the Government showed a real interest in tackling the problems of local rates, local authorities might be able to run their affairs properly.

The Minister should take account of the specific problems of growth areas. He should recognise that what he has done is unjust and is seen to be unjust by many, including those within the Conservative party. Conservative Members who represent Scottish constituencies know that many Conservative councillors in Scotland are unhappy. Of course, such councillors are a disappearing breed. Unfortunately, Conservative Members have not had the courage to take up the feelings of Scottish Conservative councillors, save for the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). In the circumstances, my colleagues and I will vote against the order.

8.50 pm

Sir Hector Monro (Dumfries): I am aware that the House wishes to get on with the debate, and I hope that the hon. Member for Gordon (Mr. Bruce) will forgive me if I do not take up his remarks.

This debate takes place, as did last night's, against the background of the Government's statement on public expenditure, which calls for constraint. Opposition Members talk about cuts, but in real terms we are spending far more on local authorities than we were when the previous Labour Government were in power. There are substantially more people in post in local authorities than there were in the middle of the 1970s.

We hear the continual cry about reducing the percentage of Government support, but in 1978-79 the then Labour Government cut the percentage of support by 4 per cent., which was substantially more than the cut this year. Labour Members should take account of the record of the previous Labour Government before making the sweeping statements in which they have indulged today and yesterday.

I accept that revaluation this year has made it extremely difficult to make fair comparisons. Percentages have been bandied around the Chamber tonight, and many of them are probably extremely unreal. We have heard about rates being increased by 100 per cent., but much depends on the base from which we start. An increase from 2p to 4p is not so dramatic as talk of an increase of 138 per cent.

The Government have introduced an additional settlement of £19 million since the original announcement in August 1984. My right hon. Friend the Secretary of State has made it clear that if local authorities spend to their guidelines there will be more spent in real terms than there was last year. That is not a cut in local authority expenditure.

If we exclude revaluation and a local authority is on a standstill budget in real terms, rate increases should surely be near to the rate of inflation. If we allow for revaluation, increases should certainly be under 10 per cent. What are we to adjudge from the increases that are being announced of 20 to 25 per cent. for regions, and 30 to 40 per cent. for districts? Are we to assume that the formula has gone haywire or that the client group system has not worked, or have authorities increased their budgets far beyond the 1984-85 level in real terms? In the first place, we must look for savings.

If the formula has gone haywire, it is up to my right hon. and hon. Friends to find a formula that works. If the client group method has not worked, local authorities must examine their budgets again before fixing their rates, which will probably be done next month.

It has always been difficult for local authorities to meet the targets that are set by finance committees. It is as hard now as it has ever been. I hope that my hon. Friend the Under-Secretary of State will give us more information about the impact of revaluation, which is perhaps the greatest mystery in the whole conundrum. My hon. Friend knows that Dumfries and Galloway has an exceptional record of keeping within guidelines and keeping down its expenditure. However, it has found that its rate will increase by 22 per cent., and that 15 per cent of the increase will be due to revaluation. That is a bitter pill to swallow for a region that has behaved in model terms in setting its expenditure.

I am extremely glad that there has been an increase in the needs element of £1·8 million for Dumfries and Galloway, but, conversely, the districts within the region have had to suffer substantial cuts in their needs element. I accept that expenditure on education, roads and transportation is regional expenditure. As my hon. Friend the Under-Secretary of State knows, I have a particular wish to see rural schools maintained. If the education budget has to be reduced, that will put some of them in jeopardy.

We spoke last night about housing and I mentioned the difficulties facing the district councils. The regional and district councils will have to make some harsh decisions in the coming weeks before they fix their rates. They must try to get much nearer to the guidelines.

Can my hon. Friend the Under-Secretary hold out any hope for further discussions on the year's examination that will be relevant to the needs element of some of the rural districts and regions, which seem to be most seriously affected by the formula that we have put into operation this year?

Bearing in mind the constraint on time, I shall not enter into a discussion on the rating system. However, if it is to give rise to the incomprehensible system of local government finance that some suggest, the sooner that we find an alternative system the better. I shall support my hon. Friend the Under-Secretary of State in any efforts that he makes substantially to change the system.

I have said frequently that I have never underestimated the importance of good housekeeping in local authority finance and the necessity to keep manpower to a minimum. I hope that the authorities that keep within the guidelines will make a firm effort over the next few weeks to examine their manpower figures within the budgets that they have submitted.

I find the Opposition irresponsible in the statements that they have made over the past two days. They seem not to understand the risk of inflation and the need to contain public expenditure. It is crucial that we contain the level of inflation, or even reduce it over the coming year. It is only in that way that we shall in the long run——

Mr. John Home Robertson (East Lothian): Why are the Government forcing up the rates?

Sir Hector Monro: The hon. Member for East Lothian (Mr. Home Robertson) is becoming the most arrogant Member of this place. His move to the Opposition Front Bench has gone to his head. I wish that he would try to behave in a more reasonable way.

We must work towards maintaining the minimum rates increase necessary to keep inflation down. I know that that will be hard and difficult work, but, in the long run, it will be the only way forward. For local authorities, public expenditure is as important as Government expenditure. I hope that Ministers will stick to this line: if they can find any extra money, they should be prepared in the coming year to give it to important items such as education and housing.

8.59 pm

Mr. Dennis Canavan (Falkirk, West): These orders are a recipe for further attacks by the Tory Government on the living standards of the people of Scotland. If implemented, they will cause massive rate and rent increases and threaten many of the essential services provided by local authorities, such as education, transport, housing and social work provision for the elderly, sick and disabled.

Since the Conservative party came to power in 1979, it has cut rate support grant from 75 per cent. to 56·6 per cent. of total expenditure. There is particular concern about the cut in the needs element payable next year to district councils. My district council of Falkirk will suffer a cut of £1·5 million in the needs element payable—a reduction of almost 50 per cent.

This morning, we questioned COSLA representatives and asked whether they could quantify the effect of these measures on rate increases. We were told that some local authorities, even if they keep to the guidelines issued by the Secretary of State, will need to increase rates by more than 60 per cent. Those COSLA representatives were not just giving instances of Labour-controlled authorities. We were told that the average Scottish domestic ratepayer would face an increase of about £50 per annum—an increase of more than 15 per cent., which is more than three times the rate of inflation. Yet the Secretary of State has had the audacity to tell us that the rates increase should be in line with inflation. The right hon. Gentleman's sums do not add up. Of course he may be just abusing the English language. The right hon. Gentleman is either innumerate or illiterate, or perhaps he is both.

Since the Tory party came to office in 1979, rents have more than doubled. The orders passed last night will mean an increase in rents of at least 10 per cent., if the Secretary of State has his way. About 80 per cent. of total council housing costs will now be met from rents. That places a considerable extra burden on council house tenants in every local authority area in Scotland.

When talking about services under threat, we are referring not just to Christmas trees and Christmas lights, which the Scrooge who represents Stirling constituency wants to switch off. Matters are much more serious than that, although I admit that the Christmas lights are

[Mr. Dennis Canavan]

important in my area and that the council would be unpopular if it tried to make cuts there. Other more essential services will be threatened unless Labour councillors fight the Secretary of State. For example, there is a threat to education at a time of great crisis in virtually every classroom in Scotland. That crisis has been created by the Secretary of State through his mishandling of the teachers' justifiable pay claim. There is a threat to transport, especially in outlying areas. That threat has been posed not only by these orders but by the Bill that will be introduced to privatise or deregulate public transport. There is a threat to leisure and recreation services at a time of record unemployment. There is a threat to social work services at a time when there is an increasing population of elderly people. There is a threat to the sick and the disabled and to the families of miners who are nearing the twelfth month of a long and hard struggle.

Despite what has been said by the hon. Member for Stirling (Mr. Forsyth) and other Conservative Members, I applaud all the Labour-controlled councils, whether regional or district, which are supporting the miners and their families. Although Conservative Members might disagree with us on the merits of the strike, surely it is morally unjustifiable in any circumstance to use starving wives and children to break a strike, using them as political pawns. That is what the Government are trying to do through their DHSS legislation. However, I am glad that Labour-controlled authorities are providing a safety net for the miners and their families.

The orders represent yet another attack on what little local democracy remains in Scotland. Since the Tories came to power in 1979, there have been many attacks on local democracy. The Secretary of State for Scotland has treated the people of Scotland almost as guinea pigs. He tries the legislation out on us before his counterpart the Secretary of State for the Environment copies certain aspects of it in England.

The Secretary of State for Scotland now has a battery of powers of intervention in what were previously the affairs of the locally elected councils. That battery of powers has been created by means of Bills that have—in most, if not all, cases—been voted against by the majority of the elected representatives of Scotland in this place as well as being opposed by the majority of elected representatives in local government.

The Secretary of State and others have raised the spectre of councillors possibly breaking the law. If the Secretary of State pretends to be the guardian of the democratic tradition, he has a responsibility to bear in mind the fact that many of the laws that people may be tempted to break were passed against the wishes and votes of the majority of hon. Members representing Scotland.

In many instances, councillors may not be faced with a simple choice of whether or not to break the law. More agonisingly, they may have to choose which law to break. On the one hand, the Secretary of State has built up the battery of powers of intervention enabling him to dictate to councillors to make cuts. On the other hand, volumes of legislation have been passed over the years imposing statutory obligations on local authorities, involving minimum standards in education, social work, transport and many other essential services.

If it comes to the crunch and we are asked whether we support a discredited Secretary of State or the Labour councillors who are taking up the cudgels against him, I know on whose side I shall be. I shall be on the side not just of the majority of councillors in Scotland but of the majority of the people, rather than on the side of a Secretary of State who, as I have said on many occasions, received no mandate from the people of Scotland. The councillors whom he criticises have a far better mandate to represent their people. They have a mandate to stand up and defend the rights of the people of Scotland against the Secretary of State.

Once again, at 10 o'clock, all the Tory worms will come out of the woodwork. They will not have listened to a single word of the debate, but they will be whipped through the Lobby to vote for the orders of a Secretary of State who does not represent the people of Scotland.

If ever there was an argument for setting up a Scottish Parliament, here it is. Speed the day when that Parliament is set up and when the voice of the people of Scotland is heard, rather than the voice of a mug of a Secretary of State who does not speak for the people of Scotland.

9.9 pm

Mr. Robin Cook (Livingston): As I understand the argument that the Secretary of State advanced and the theme that has been echoed by those of his Back Benchers who have chosen to support him, it is the contention of the Conservatives that this rate support grant order buttresses their economic record and strategy by containing public expenditure by local authorities.

It is appropriate therefore to reflect in passing that the Government's economic strategy has produced a record that consists of the highest unemployment in British history, the lowest pound in British history, the highest real interest rates in British history, record bankruptcies in each of four successive years and the worst balance of trade figures in manufactured goods since the Tudor dynasty. In view of that record, it is brazen for the Conservatives to argue that what they are doing is desirable because it will buttress their economic strategy.

If that is their contention, and even if we set aside the appalling economic record that the order is supposed to support, it is still irrelevant to argue that the order is part of the process of containing public expenditure. The key issue is not what should be the level of public expenditure by local authorities—although I am quite prepared to have a debate on that and to argue that it should be a good deal higher—but how the guideline expenditure should be financed, what proportion should be met out of rate support grant and what proportion should be left to rates. It is clear from every speech so far that the order will increase the proportion that is met out of rates and that that will result in large increases in rates throughout Scotland.

I take issue with the hon. Members for Dumfries (Sir H. Monro) and for Stirling (Mr. Forsyth). In an extraordinary speech the hon. Member for Stirling appeared to suggest that the grant to his local authority should be cut still further. Both hon. Members argued that, in some way, the order helps the Government to combat inflation. The order ensures that rates in Scotland will increase by roughly three times the level of inflation and it is part of the higher lunacy of monetarism to argue that, by putting up rates three times faster than inflation, the Government are somehow helping to contain inflation.

While the Government are shifting the balance of expenditure to be met from local sources on to local authorities, they are leaving those local authorities with

less financial independence and discretion. It is impossible to view that trend without unease, because we are witnessing a growing centralisation of the state. It worries me to see growing accretion of power at the centre—on grounds of high principle, because it is an erosion of local democracy. It worries me also on grounds of practicality because it is impossible for the Scottish Office to regulate properly the affairs of 70 local authorities. I intervened during the Secretary of State's speech and it was quite clear from his response that he does not know or understand the financial circumstances of West Lothian district council. I do not criticise him on that count, but his response proves conclusively that it is impossible for any Secretary of State, even one as able and fluent as the right hon. Gentleman, to impose an appropriate financial straitjacket on local authorities which vary so much. We should reflect their differences by giving local authorities the greatest latitude.

West Lothian district council is traditionally controlled by Labour. I do not apologise for that or seek to excuse it. It also has a long history of finsncial responsibility. The council has pursued the pragmatic policy of seeking value for money. I invite Conservative Members not simply to take my word for it. Reference has been made three times during the debate to the letter to the Secretary of State from the Federation of Self Employed and Small Businesses. One paragraph of that letter states:

"We . . . must specifically cite the proposed grant cut to West Lothian District Council of some £1·4 million. West Lothian is one of Scotland's more efficient councils"——

Mr. Tam Dalyell (Linlithgow): Hear, hear.

Mr. Cook: I am most grateful for the support of my hon. Friend—

"whose spending per head of population is only some two thirds of the Scottish average. A rates support grant cut of this severity will have a dire effect on their ability to provide services and will result in businesses paying more for less".

I would also cite the statement of the local ratepayers action group, whose secretary, an estimable woman who put considerable effort at the last general election into trying to prevent me from becoming the representative of the Livingston constituency, inspected the books of the West Lothian district council the other year and afterwards congratulated it upon its book-keeping and financial housekeeping. That testimony does not come from traditional Labour sources. It is testimony to a long tradition of stringency which that local authority has applied to its financial outlays.

What is the result of that effort? It is a savage cut in rate support grant of two thirds, taking it, over two years, down to one third of the current rate support grant. The speech of the Under-Secretary of State for Scotland on this point on Tuesday was greeted with incomprehension by those who heard it. I hope, Mr. Speaker, that I do not transgress the rules of the House if I say that the director of finance of West Lothian district council somehow managed to hear the speech of the Under-Secretary of State when he replied to the Adjournment debate on Tuesday. Afterwards, he told me that he was worried when he heard the Under-Secretary say that this cut would not require an increase of 20 per cent. in the rates because, he said, "We might actually do it on 19·5 per cent. and that is what I thought he was going to say."

The Under-Secretary said that the cut in our rate support grant would require an increase in rates in the Lothian region, including West Lothian, of only 1 per cent. That is wholly beyond the understanding of the officials, never mind the councillors, who are responsible for administering the finances of the district council.

Mr. Ancram: The hon. Member ought to be accurate about what I said on Tuesday. I said that, if West Lothian both this year and next spends within the guideline and if Lothian region were to do the same, that would be the overall effect on the rate. What I did not say to the hon. Member on Tuesday — perhaps he would like to comment upon it now—is that my understanding is that, in the current year, West Lothian is rating for a balance of 25 per cent. on its rate income. In his concern for the ratepayers, does not the hon. Member think that this could also be used in some way to support them?

Mr. Cook: I have no doubt that the district council will make an adequate, prudent and judicious use of its balance. The Minister has made this point twice during the debate. It is extraordinary that the Government should now attempt to argue for financial stringency and financial discipline while they oppose those local authorities that prudently lay up a balance. When I was involved with local government, it was regarded as an act of prudence rather than as a matter for criticism to lay up a balance.

I shall send back to the Under-Secretary a question to which he can reply when he winds up. Let me take the calculation that he has just offered to the House—I leave aside for the time being Lothian region—and assume that West Lothian district council comes down to the guideline. We are talking about a cut of less than 1 per cent. in total expenditure. What, then, in his calculation will be the percentage increase in rates in terms of the district rate required to compensate for the cut in rate support grant that he is making? It will be a minimum of 15 per cent.—three or four times above the level of inflation.

I wish to make only one further point in support of the case of my local authority for more resources. It takes us to the heart of the debate about rate support grant. One of the reasons why Governments have hitherto used rate support grant as a means of financing local services is that the means by which central Government raise taxation is, on the whole, more progressive than the rating system. Therefore, through income tax and corporation tax they are able to use the rate support grant in a way that redistributes resources from the wealthier to the less well off areas of our country.

There can be no doubt whatever that West Lothian district is one of those less well off areas. It is the area with the third highest unemployment anywhere in mainland Scotland. I constantly see, as I am sure my hon. Friend the Member for Linlithgow (Mr. Dalyell) sees, men over 45 coming to my surgery who have been unemployed for one or two years and who are reduced to grinding poverty by the conflict between short-term supplementary benefit rates and long-term unemployment. It is a source of distress to me that I am unable to offer them any solution to their poverty.

We have a male unemployment rate of 25 per cent., which will get worse before it gets better. We now face a cut in rate support grant from the Government to one third, following the total extinction of our housing support grant. In six years, Government support will have fallen from £7 million in 1980 to a forecast £700,000 in 1986. It has fallen to one tenth of its level of five years ago.

[Mr. Cook]

Effectively, this area, one of the most deprived and poor areas of central Scotland, is being told that it will have to meet all its own services and needs out of its own resources and revenue raised locally. That is grotesquely inequitable.

There can be no doubt that part of the problem that we face in West Lothian, part of the poverty, part of the loss of jobs, is the result of a loss of purchasing power from that decline of Government grant to the local authority.

The Secretary of State began by referring to some highly politicised local authorities. My local authority has not approached this dispute in a spirit of confrontation. Indeed, little of what I have said will be controversial in West Lothian. Conservative as well as Labour voters are affected by the increase in rates. Conservative as well as Labour supporters in my constituency fall unemployed and find themselves dependent upon benefits. There would be broad support for what I have said throughout the political community of West Lothian. I deprecate the spirit of acrimony and confrontation in which the hon. Member for Stirling (Mr. Forsyth) addressed himself to the community affairs of the constituency that he represents.

There is at present consensus in West Lothian over what I am saying and there is no attempt by the local authority to push the issues of political confrontation, because it would much rather have a solution. Yet if the Government want political confrontation with my and other local authorities, they are going the right way about securing it. If they want to avoid that confrontation, they should seek to reverse the irresponsible, irrational and deeply damaging cuts in grant that they now propose.

9.22 pm

Mr. Tom Clarke (Monklands, West): I am grateful to my hon. Friend the Member for Livingston (Mr. Cook) and others of my hon. Friends for shortening their speeches and enabling me to make my contribution.

Let it be clear that the Government's proposals today have much less to do with the realities of local government and essential services in Scotland than with their central objective to reverse the burden of taxation, as they see it, and to impose that burden upon ratepayers, and in particular, upon those who are paying rents. That is what this rate support grant order is all about.

The Secretary of State has increased the domestic element, but there is nothing generous about that. He has taken it from the needs and resources element, and few district or regional councils would agree with that approach.

When Governments make such proposals and try to relate them to local authority interest, they should take into account the problems of communities and the general atmosphere that exists. How can the Government ignore the economic and industrial plight which has beset Scotland and which is in no way reflected in the proposals which they have put before the House?

I want to deal briefly with the two local authorities which are of concern to my constituency, Monklands and Strathkelvin. I know that the hon. Member for Strathkelvin and Bearsden (Mr. Hirst), who has met Strathkelvin district council and knows of its problems, is in Edinburgh on important parliamentary business. I make no criticism of that. I mention it to illustrate the fact that in Strathkelvin the local council is not irresponsible and rebellious for the sake of it, but is anxious to do what Parliament has asked it to do; that is, to carry out the functions which we expect district councils to perform in a way that responds to the community's needs. The orders would make life in Monklands and Strathkelvin extremely difficult.

In addition, the order that we approved last night on housing support grant would mean that rents in Monklands would be forced up by £2·70 a week because we shall have lost both housing support grant and rate fund contributions. In Strathkelvin the increase would be £2·50 a week.

It is not, therefore, simply a case of examining the rates that people will pay. We must examine the rents which the Government seek to impose, as well as the additional burden of rates which this order would impose, if only because council tenants are also ratepayers.

The hon. Member for Strathkelvin and Bearsden and I have received a letter from Mr. Mallon, the chief executive of Strathkelvin district council. He refers to the rate support grant, the housing support grant and rate fund contributions. He states:

"In common with all Authorities we now have all of the above information to hand and can see very clearly the bleak picture facing us.

The decisions of the Secretary of State on these matters have brought about a set of circumstances which will have very painful consequences for all ratepayers. In fact, it would seem to be clear that if Authorities are to continue to take their duties towards their ratepayers seriously they will have very great difficulty in meeting the guideline figures imposed by the Secretary of State. It is probably true to say that only a few Authorities can realistically do this."

Mr. Mallon continues:

"Other effects of the grant settlement will be disastrous. As far as the distribution of needs element is concerned, in 1985/86 the Secretary of State proposes to move to the second stage of distribution based on the relative assessed needs (the Client Group approach). These models purport to be more discriminating and sensitive but in no way do they meet the individual needs of particular Authorities. For instance, such a generalised model takes no note of particular factors applying to us, such as the existence of a Sports Centre which we simply cannot wish away but which necessarily needs hefty Revenue commitment. This Sports Centre was built prior to Re-organisation and was, therefore, in effect, inherited by Strathkelvin . . . In 1985/86 the Secretary of State has decided to make a restriction of 4p in the £ loss as far as Districts are concerned. This means a loss of grant in Strathkelvin of £900,000, with the possibility of further losses in future years. The unreasonableness of this is self-evident."

I entirely agree with the sentiments expressed in that letter.

In the light of the rate support grant order and the Government's disregard for the statistics, especially those for inflation, which Opposition Members have presented to them, they should publicly defend the reduction in services, which will inevitably arise from their policies.

When local authorities in the Strathclyde region find it necessary to take unpopular decisions, such as the regional council's present consideration whether to close fire stations in my constituency and in Strathkelvin, it is extremely nauseating to find Conservative spokesmen attacking those decisions and giving the impression that they are the sole and exclusive responsibility of Strathclyde. I hope that Strathclyde region can avoid such closures, but Conservative spokesmen know in their hearts that it is impossible for Strathclyde to meet the Government's figures without reducing these or similar services.

Today I received a letter from the parents of pupils at Lenzie academy, protesting, rightly, about the problems

of education. Those problems will continue if councils are denied resources. That is the real argument. The Government have not been successful in reducing public expenditure. The hon. Member for Stirling (Mr. Forsyth) was wrong about most things, but he was at least right to assert that, although the Government have not reduced public expenditure to the extent that they said they would, they have changed the emphasis so that local authorities are being encouraged to reduce manpower and thereby to put more people on the dole, at enormous public expense.

During last night's debate on the housing support grant some Conservative Members appeared to recite from Treasury briefs. A point that shone through their speeches and, I regret to say, through the speech of the Under-Secretary of State, was that they had persuaded themselves that Scotland was getting a better deal than England. The Minister must accept that local government in Scotland is different from local government elsewhere. In England, local authorities are not responsible for water, sewage, or probation. Scotland has twice the number of home helps that England has, because that is the sort of people we are. Scotland has many geographical problems, especially in the highlands. If councils tried to save on road works five or six years ago, the people count the cost today. Costs have increased substantially, and it is not good enough to say now that authorities have not kept within the guidelines.

Even at this 11th hour the Minister should speak for Scotland and accept that the points that I have just made about Scottish local government, and the points made by my hon. Friends, should also be made by him and by the Secretary of State. If they fail in that duty, they should be clear that the people of Scotland will neither forgive nor forget.

9.32 pm

Mr. Jim Craigen (Glasgow, Maryhill): If my hon. Friend the Member for Monklands, East (Mr. Clarke) thinks that he has problems now, he ain't seen nothing yet. He must only wait until the 1985 rate support grant order has its effect. From listening to the Secretary of State for Scotland this afternoon one would have thought that this was any old year for rate support grants, give or take the impact of revaluation. However, 1985 will be the year in which domestic rates will erupt because inflation and revaluation will take their toll. Moreover, the chickens will come home to roost for the Government. The Government have reneged on the long-heralded rating reform; they have reduced yet again the rate support grant to local authorities below the rate of inflation; and they have resiled from giving full coverage to domestic rate payers by providing new money to give them the relief that they require.

Scottish Office Ministers seem determined to give Scottish local government a bad name and domestic ratepayers a poor deal with higher rates and reduced services. As my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) pointed out, the Government effectively will be taking an extra £250 million out of the rating system. The figures can always be misleading, but the domestic ratepayer can expect an average of an extra 21p on rating, excluding the impact of the revaluation. Even authorities within the spending guidelines laid down by the Scottish Office will have to increase their rates as a result of the reduction in grant aid.

When I listened to the speech of the hon. Member for Dumfries (Sir H. Monro), I wondered whether I was in the same place that I was in this morning when the convenor of Dumfries and Galloway, councillor John Jamieson, was pointing out the special difficulties that his regional council faces over education in particular. Specialist teacher posts are having to be cut out because of the difficulties now faced by his authority which has operated within the guidelines over the years. But it is typical of the easy-osey fashionable way in which the hon. Member for Dumfries operates.

As to the hon. Member for Aberdeen, South (Mr. Malone), thank heavens that he is not running Aberdeen district council or Grampian region. The Government are making a big enough mess of national affairs without the hon. Gentleman's ineptitude stretching into the pockets of local authorities. He mentioned that all the problems would be resolved if only the councils could sell more council houses. I have news for the hon. Gentleman. North-east Fife, which the Government for the first time, I believe, have turned into a non-Tory-controlled authority —[AN HON. MEMBER: "Still Tory."] the authority is still Tory in name, perhaps—has sold proportionately more council houses, yet one of its district councillors pointed out yesterday that a rates rise of 37 per cent. would be necessary just to maintain the present level of authority services.

The Secretary of State did not challenge the rate rise increases for the borders and elsewhere that were quoted by my hon. Friend the Member for Glasgow, Garscadden, which will now be necessary because the Government are cutting back on the proportion of grant aid allocated to local authorities. District councils, as we have heard today, will be particularly hard hit. They will fare even worse than the regional councils. The needs element is being slashed back in the district councils.

The Secretary of State is quoted as saying that it is all a matter of judgment. He has not explained how he reaches that judgment. He certainly did not give a very convincing explanation today.

My hon. Friends the Members for Livingston (Mr. Cook) and for Linlithgow (Mr. Dalyell) both spoke in the Adjournment debate on Tuesday, 22 January. I commented to my hon. Friend the Member for Linlithgow — because my late in-laws used to live in his constituency, and voted for him, of course—that it is well seen that the hon. Member for Edinburgh, South (Mr. Ancram) did not become the Tory Member of Parliament for West Lothian when the hon. Gentleman fought my hon. Friend. He would not have given that kind of rubbish to the constituents of West Lothian or he would have been chased out of West Lothian.

Mr. Dalyell: The hon. Member for Edinburgh, South was not chased out, because he made speeches that the constituents wanted to hear—which were a bit different from what he has been saying today.

Mr. Craigen: I always knew that the hon. Gentleman was a slick lawyer.

Scottish householders will be paying on average an extra 8 per cent. as a consequence of the revaluation. Glasgow reckons that its average increase will be 18 per cent., and the city will be particularly hard hit as a result of the orders approved by the House last night and the rate support grant order that the House is asked to approve tonight.

[Mr. Craigen]

Local authority spending forecasts are in excess of what the Secretary of State says the authorities will receive in 1985-86. Several services, such as transport, including concessionary fares, will be particularly hard hit. It will be difficult for some regional councils to operate their concessionary fares at the present percentage rates. At a time of record unemployment, leisure and recreation facilities will be hit. At a time when the House is considering the National Heritage (Scotland) Bill, libraries and museums will be affected.

The constant pressure on local government resources is a sort of Chinese torture on councillors. As was pointed out by the treasurer of Strathclyde regional council, if the Government had maintained their grant aid as a proportion at 1979 levels, householders in Strathclyde would be £1 a week better off. The Government are shifting the cost of local government services on to the ratepayers. That is the political message that is coming across. Just as the Government are moving from direct to indirect taxation, so the cost of national services, operated by local authorities, is being shifted more and more on to the ratepayers.

The proportion of money that ratepayers are being asked to cough up is constantly increasing, because the Government are cutting their aid. As my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) pointed out, the Government could have done more for domestic rates relief in the settlement that must follow the revaluation. The Under-Secretary of State who is responsible for health talks about limiting the number of drugs that will be prescribable on the NHS. When the people get their rating assessments next month, they will be zooming to the medicine cabinets. They do not know what is about to hit them.

We are discussing the issue in a largely academic atmosphere, and people will admit that they do not know what it is all about. We are looking to the Secretary of State for greater assistance for domestic ratepayers. We want him to give the guarantee that he is giving to industrial ratepayers, that there will be no going back on the domestic reliefs to local authorities. It is ironic that the Government, who have permitted the industrial sector to suffer so much from the economic policies, should, on the ground of conscience, be trying to ameliorate the situation. After all, the industrial sector will gain most as a result of the revaluation.

The Secretary of State talks about cross-border comparisons, but we have been through all that before. In the Rating and Valuation (Amendment) (Scotland) Act 1984 he did his best to protect the caravanners, football grounds and racecourses. But we want comparability for Scotland's domestic ratepayers as well. It is important that the Secretary of State should be more forthcoming.

The right hon. Gentleman also mentioned the availability of appeals. There will be a great queue of domestic ratepayers submitting appeals once they have received their assessments next month. I just wonder whether there will not be a chaotic period in local government before all those issues are settled, as it will take many months to settle them.

Several hon. Members have referred to the National Federation of Self Employed and Small Businesses Limited, and I wish to mention the letter that we have received. The secretary said that the federation had proposed to the Secretary of State that he should extend rates consultation to include himself and his Ministers. The federation said that it was ready to meet him at any time, and added:

"The Government are really the major cause of rate rises in 1985-86".

My right hon. Friend the Member for Clydesdale (Dame J. Hart) referred to unemployment and the difficulties of the housing benefit operation in Clydesdale. Her contribution tonight emphasised how serious things are in Scottish local government. I assure my right hon. Friend the Member for Clydesdale that the problems in Glasgow are also horrendous in terms of the amount that ratepayers will have to pay to sustain the housing benefits system. That is because the local authorities are not entirely reimbursed by central Government for what should be a national service.

He who pays the piper calls the tune is a well-known phrase, but the Government, now paying so much less, perhaps half, of the costs of local government, are demanding the total say in the running of local government in view of the Secretary of State's new rate-capping powers. No doubt he will be driven to use them in the current year as a result of the policies that he is pursuing, not as the result of any action by individual local authorities.

The hon. Member for Aberdeen, South spoke of responsibility. We want to know who is responsible and whom to blame. We want it to be elected councillors so that the buck stops with them. To think that we shall be leaving the fortunes of Scottish local government to that lot of Members on the Government Benches—when half of them do not have a clue and the other half have not even been here for the debate—is a nonsense and an outrage.

The real culprit of higher rates is the Secretary of State for Scotland. The casualties in the coming year will be the ratepayers. I hope that they will write letters to those Conservative Members who go into the Lobby tonight to support what the Government are proposing.

9.47 pm

The Parliamentary Under-Secretary of State for Scotland (Mr. Michael Ancram): We have had another of what seem to be regular rate support grant debates. It is always with interest that I await the speeches of Opposition Members on this subject. Having heard all their criticisms of the Government's policy—they repeat them consistently, almost verbatim, on every occasion—I continue to look forward to the day when we hear what they would do if they were in government.

I was surprised to hear from the hon. Member for Glasgow, Garscadden (Mr. Dewar), when I asked him by how much he thought we should increase the figures, that this was not a time for "throwing around figures". If he wants the people of Scotland to take him and his party seriously, he must start explaining what he would do if he were in the position of my right hon. Friend the Secretary of State. Indeed, my right hon. Friend asked where the hon. Gentleman would get the money. Unless he makes that equation, there is no reason for us to take his remarks seriously.

The only person who tried to suggest where the money would come from to provide for local government in the way she wished was the right hon. Member for Clydesdale (Dame J. Hart). If I understood her correctly, she would

abandon the country's defence programme to do it. Perhaps at a later date we shall hear whether that is official Labour party policy.

What we are talking about tonight is what we have talked about every time we have discussed this subject, and that is the level of expenditure by local government in Scotland. We have heard again tonight from Opposition Members accusations that the Government have imposed vicious cuts on local authorities in Scotland. The hon. Member for Garscadden knows well — because the figures were agreed with COSLA — that since 1979, spending by local authorities in Scotland has increased by 2·6 per cent.

Mr. Dewar *indicated dissent.*

Mr. Ancram: The hon. Member for Garscadden indicates that that was not agreed. Last year, we agreed the basis of making the calculation with COSLA, and we agreed that that was the figure produced by the basis of calculation.

Dame Judith Hart: I seem to detect the opinion among my hon. Friends that I should reassure the Minister that it is indeed the official programme of the Labour party and of the parliamentary labour party not to have Trident.

Mr. Ancram: I do not want to trespass on anybody else's ground, but my reading of that policy was that the money would be used in other ways within the defence budget. Perhaps the Labour party can sort that out at a quieter time.

We are talking about whether there is room to cut services and expenditure by local authorities in Scotland that have increased over the past five years. I listened carefully to the right hon. Member for Glasgow, Govan (Mr. Millan), who once held the responsibilities of Secretary of State for Scotland. He said that it was unrealistic to expect reductions. I find that interesting, because, when the right hon. Gentleman was Secretary of State for Scotland, Scotland's manpower figures — in terms of non-manual workers—were 20 per cent. lower than they are now. Presumably at that time, as he was presiding over that situation, he believed that it was realistic. If he believed that it was realistic then, it is possible that such savings can be made again, and those savings are precisely the ones that we are looking for.

I suggest that those who say that it cannot be done should look at certain local authorities in Scotland. I do not normally praise the district council in Glasgow, but it has reduced its direct labour organisation by 40 per cent. and is still doing the same amount of work as before. I repeat to Opposition Members that if that council can do it, so can others. For the right hon. Member for Govan to say that it is unrealistic to expect local government expenditure to be reduced is flying in the face of all the facts.

In a sense, the basic question in the debate was not about expenditure but about the system of distributing rate support grant. The House must address itself to a serious question. As hon. Members know, the system of distributing rate support grant was changed last year from the historic system to the client group method. In effect, that means that a distribution can be made which takes account of the needs assessments of individual authorities and tries to make sure that the same services can be provided at basically the same cost within authorities. COSLA has accepted the system in principle. I concede that last year it said that it was not sure whether we should introduce it as soon as this, but nobody has disputed that this is a fairer system.

I look to the hon. Member for Garscadden again, because this is a question that I believe he can answer. Do he and his party support rate support grant distribution by the client group method? Does he agree with COSLA in that? I shall give the hon. Gentleman the chance to answer the question.

Mr. Dewar *indicated dissent.*

Mr. Ancram: The hon. Gentleman is even refusing to answer that question. I suspect that when he addresses himself to it in a quieter moment, he will realise that he can only say yes. If he says yes, he must be prepared to bear the consequences. One of the consequences of introducing the new system is that there are gainers and losers.

Mr. Dewar: In case the Minister does not get round to dealing with it, what the debate is really about is whether it is fair for the Government, on no basis of justice, to claw back in some cases over 50 per cent. of the rate support grant that is available to certain district councils, substantially to cut in real terms the money available to local authorities as a whole and to leave the unfortunate ratepayers whom the Minister claims to defend with a large share of the burden of the change in the revaluation system.

Mr. Ancram: I am answering the first part of that question in the one that I am asking the hon. Gentleman. If we introduce the client group method of distributing the rate support grant, there will be gainers and losers. In many cases, the losers will be district councils and the gainers regional councils. We have decided that that is a fairer way, which must be introduced. While introducing it, we have made sure that we have put a limit on the effect that it can have, district by district and region by region. In doing so, I believe that over this year, next year and the years to come we shall provide a fairer system of distributing rate support grant than existed before.

Mr. Dewar *rose——*

Mr. Ancram: I shall not give way to the hon. Gentleman any more. He made points about individual councils, and talked about the effects on those individual councils in terms of rate increases. However, at no stage did he look at the rate basis from which the percentages that were announced came. I do not think that he was here when I mentioned the figures. In Gordon, the current rate is 9p, so the increase about which he was talking is from a small base. He did not mention what the balances of these councils were, and what proportion of their rates went into balances. He did not mention that Banff and Buchan has 49·6 per cent. of its rate in balance. Gordon has 84·7 per cent., Moray 47·3 per cent., West Lothian 25·4 per cent., Cumnock 54·8 per cent. The hon. Gentleman calls them savings, but they are balances that could be used to protect and help the ratepayers, and I hope that the authorities will consider that method this year.

The hon. Member for Glasgow, Maryhill (Mr. Craigen) talked about bringing Scotland into parity with England and about treating the ratepayers of Scotland as fairly as the ratepayers of England. However, at present the average domestic rate is 159p in England and 136p in

[Mr. Ancram]

Scotland. What is more important to the domestic ratepayer is the bill. Taking account of the different ways of paying for water and sewerage, the average rate payment for a Scottish householder in the current year is £328, as against £393 for England and Wales. Even with the swing from revaluation to the domestic sector in Scotland, the average domestic rates bill was considerably lower in Scotland than in England.

A number of points were raised by hon. Members, and I hope to be able to deal with some of them. The hon. Member for Garscadden talked about the figure produced by COSLA of the extra burden of rates being £250 million. That figure is based on a comparison of this year's provision with next year's and that is not a fair or true comparison. The true comparison is between the actual budgets of 1984-85 and what we are asking them to do next year. On that basis, rateable expenditure will increase by £97 million. If all this fell on the rates in the current year, that would represent an average increase of 6 per cent.

My hon. Friend the Member for Aberdeen, South (Mr. Malone) asked a question that he has addressed to me before, about the problems of population increases in arriving at guidelines and grants. The client group assessments are based, as agreed wih COSLA, on the latest and firmly based population estimates and other data. Those for 1985-86 are generally those made in 1983. My right hon. Friend and I understand that there is concern about this, and we undertake to take careful note of the views that have been expressed.

My hon. Friend the Member for Dumfries (Sir H. Monro) thanked the Government for the increase in the needs element of the rate support grant. I hope that he will make it clear to his constituents that his authority is one of the few that saw an increase in the needs element this year. That reflects the behaviour of that council in recent years.

My hon. Friend the Member for Stirling (Mr. Forsyth) raised the question of a poll tax. In the review that is taking place, I shall bear in mind the points that he has made. At the same time, he will discover, if he looks at the reactions to the Green Paper, that a poll tax is not necessarily regarded as the safest way to proceed.

The hon. Member for Cunninghame, South (Mr. Lambie) made the most extraordinary suggestion of all. His basic accusation against the Government was that we were interfering in local government and telling local government what to do and that we do not allow local government the freedom it had in his day. Yet his basic suggestion was that we should allow 100 per cent. rate support grant to local authorities in Scotland. If he wants to see direct control, that would be the clearest way of achieving it.

Yet again we have heard from the Opposition the irresponsible voice that we have come to expect from them. Methods used to control local government expenditure when they were in office are now condemned as unacceptable. Levels of expenditure which were higher in real terms when they were in office are now described as slashing cuts. Levels of manpower acceptable when they were in government are now condemned as inadequate. Either this is a demonstration that they have abdicated the responsibility and realism that would fit them to government, or they are practising a cruel deception upon their friends. It does not matter which is the case because these orders provide a balanced programme for local government in Scotland in the coming year and I commend them to the House.

Mr. Dennis Canavan (Falkirk, West): On a point of order, Mr. Speaker.

Mr. Speaker: Order. We can go on until half-past eleven, but the hon. Member has made a speech.

Mr. Canavan: I am raising a point of order, Mr. Speaker.

Mr. Speaker: What is it?

Mr. Canavan: I can hardly hear what the Minister is saying because of all the hon. Members whose constituencies will not be affected by this lousy order but who are coming in to try to stifle parliamentary debate. Can you not order them to shut up or to go away so that only Scottish Members of Parliament may vote on the order?

Mr. Speaker: Order. I think it is time that I put the question.

Question put:—

The House divided: Ayes 258, Noes 166.

Division No. 77] **[10.01 pm**

AYES

Adley, Robert	Clark, Hon A. *(Plym'th S'n)*
Aitken, Jonathan	Clark, Dr Michael *(Rochford)*
Alexander, Richard	Clark, Sir W. *(Croydon S)*
Amery, Rt Hon Julian	Clegg, Sir Walter
Amess, David	Cockeram, Eric
Ancram, Michael	Colvin, Michael
Arnold, Tom	Conway, Derek
Ashby, David	Coombs, Simon
Aspinwall, Jack	Cope, John
Atkins, Rt Hon Sir H.	Corrie, John
Atkins, Robert *(South Ribble)*	Couchman, James
Atkinson, David *(B'm'th E)*	Cranborne, Viscount
Baker, Rt Hon K. *(Mole Vall'y)*	Critchley, Julian
Baker, Nicholas *(N Dorset)*	Crouch, David
Baldry, Tony	Currie, Mrs Edwina
Batiste, Spencer	Dicks, Terry
Bendall, Vivian	Dorrell, Stephen
Benyon, William	Douglas-Hamilton, Lord J.
Bevan, David Gilroy	Dover, Den
Biffen, Rt Hon John	du Cann, Rt Hon Sir Edward
Biggs-Davison, Sir John	Dunn, Robert
Blackburn, John	Dykes, Hugh
Body, Richard	Edwards, Rt Hon N. *(P'broke)*
Bonsor, Sir Nicholas	Eggar, Tim
Boscawen, Hon Robert	Emery, Sir Peter
Bottomley, Peter	Evennett, David
Bottomley, Mrs Virginia	Eyre, Sir Reginald
Bowden, A. *(Brighton K'to'n)*	Fairbairn, Nicholas
Bowden, Gerald *(Dulwich)*	Fallon, Michael
Boyson, Dr Rhodes	Farr, Sir John
Braine, Rt Hon Sir Bernard	Favell, Anthony
Brandon-Bravo, Martin	Fletcher, Alexander
Bright, Graham	Forman, Nigel
Brinton, Tim	Forsyth, Michael *(Stirling)*
Brooke, Hon Peter	Fox, Marcus
Browne, John	Fraser, Peter *(Angus East)*
Bruinvels, Peter	Garel-Jones, Tristan
Bryan, Sir Paul	Glyn, Dr Alan
Buck, Sir Antony	Gow, Ian
Bulmer, Esmond	Grant, Sir Anthony
Burt, Alistair	Greenway, Harry
Butterfill, John	Griffiths, E. *(B'y St Edm'ds)*
Carlisle, Kenneth *(Lincoln)*	Grist, Ian
Carttiss, Michael	Ground, Patrick
Cash, William	Gummer, John Selwyn
Chalker, Mrs Lynda	Hampson, Dr Keith
Channon, Rt Hon Paul	Haselhurst, Alan
Chapman, Sydney	Hawkins, C. *(High Peak)*
Chope, Christopher	Heseltine, Rt Hon Michael

Hickmet, Richard
Higgins, Rt Hon Terence L.
Hind, Kenneth
Holt, Richard
Hordern, Peter
Howard, Michael
Howarth, Gerald *(Cannock)*
Hunter, Andrew
Joseph, Rt Hon Sir Keith
Kershaw, Sir Anthony
Kilfedder, James A.
King, Roger *(B'ham N'field)*
King, Rt Hon Tom
Knox, David
Lamont, Norman
Lang, Ian
Lawler, Geoffrey
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lightbown, David
Lilley, Peter
Lloyd, Ian *(Havant)*
Lloyd, Peter, *(Fareham)*
Lord, Michael
Luce, Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, John
MacKay, John *(Argyll & Bute)*
Maclean, David John
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Sir Peter *(West Devon)*
Mitchell, David *(NW Hants)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Mudd, David
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Parris, Matthew
Patten, John *(Oxford)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, T. H. H.
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(W Dorset)*
Squire, Robin
Stanbrook, Ivor
Stanley, John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stevens, Martin *(Fulham)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(N Hertf'dshire)*
Stokes, John
Stradling Thomas, J.
Taylor, Teddy *(S'end E)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Waddington, David
Waldegrave, Hon William
Walden, George
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitney, Raymond
Wilkinson, John
Winterton, Mrs Ann
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Archie Hamilton and
Mr. Tony Durant.

NOES

Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Atkinson, N. *(Tottenham)*
Bagier, Gordon A. T.
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S.)*
Cohen, Harry
Coleman, Donald
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cowans, Harry
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dobson, Frank
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Foster, Derek
Fraser, J. *(Norwood)*
Freeson, Rt Hon Reginald
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Central Fife)*
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Dr. Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Janner, Hon Greville
John, Brynmor
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Mackenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Marek, Dr John
Marshall, David *(Shettleston)*
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Prescott, John
Radice, Giles
Randall, Stuart
Redmond, M.
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Stephen *(Isle of Wight)*
Rowlands, Ted
Ryman, John
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel

Stewart, Rt Hon D. *(W Isles)*	White, James
Stott, Roger	Williams, Rt Hon A.
Strang, Gavin	Wilson, Gordon
Straw, Jack	Winnick, David
Thompson, J. *(Wansbeck)*	Woodall, Alec
Thorne, Stan *(Preston)*	Young, David *(Bolton SE)*
Tinn, James	
Torney, Tom	Tellers for the Noes:
Wallace, James	Mr. Frank Haynes and
Weetch, Ken	Mr. John Maxton.

Question accordingly agreed to.

Resolved,

That the Rate Support Grant (Scotland) Order 1985, dated 9th January 1985, a copy of which was laid before this House on 11th January be approved.

RATING OF INDUSTRY (SCOTLAND)

Resolved,

That the Rating of Industry (Scotland) Order 1984, dated 19th December 1984, a copy of which was laid before this House on 11th January, be approved.—*[Mr. Lang.]*

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.).

AGRICULTURE AND HORTICULTURE

That the Agriculture and Horticulture (Variation) (No. 2) Scheme 1984 (S.I. 1984, No. 1923), dated 6th December 1984, a copy of which was laid before this House on 11th December, be approved.—*[Mr. Lang.]*

RATING AND VALUATION

That the Tyne and Wear Metro (Rateable Values) Order 1984, dated 10th December 1984, a copy of which was laid before this House on 12th December, be approved.—*[Mr. Lang.]*

CONSUMER PROTECTION

That the draft Dangerous Substances and Preparations (Safety) (Amendment) Regulations 1985, which were laid before this House on 14th December, be approved.

That the draft Novelties (Safety) (Amendment) Regulations 1985, which were laid before this House on 14th December, be approved.—*[Mr. Lang.]*

Question agreed to.

Home Defence (Farmers)

Motion made, and Question proposed, That this House do now adjourn—*[Mr. Lang.]*

10.14 pm

Mr. John Home Robertson (East Lothian): I understand that the Minister of State has had to come to the Chamber to reply to this debate because the Under-Secretary of State is busy studying bananas in the Windward islands.

I am grateful for the opportunity to discuss the proposal to publish a new version of the pamphlet "Home Defence and the Farmer". The original pamphlet under that title was published in 1958. I understand from a written reply to Lord Melchett that two civil servants have been revising that pamphlet since May 1980. The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food wrote to me recently to confirm that the new version was to be published early in the new year. We all look forward to reading the results of five years' work by two intrepid civil servants.

Meanwhile, I urge the Minister to reconsider certain matters before he publishes the advice on farming after the nuclear holocaust. In her letter of 21 December, the Parliamentary Secretary said that the new pamphlet

"will present an updating of the advice contained in the previous booklet about the simple steps which farmers could take to afford some protection to themselves and their farms against the effects of radioactive fallout from a nuclear weapon exploded some distance away. The advice on these measures remains much the same as it was when the old pamphlet was issued".

That information raises three important points. First, farming has changed dramatically since 1958. The industry is now heavily dependent on bought-in supplies, which would be totally disrupted in the aftermath of a nuclear attack. There are no horses now to take over from tractors when the fuel supplies run out, and the number of farm workers has been more than halved from 679,000 in 1958 to 325,000 now. It will be almost impossible to return to primitive agriculture.

Secondly, the scale of any likely nuclear attack is far greater than was envisaged in 1958. The deployment of dispersed cruise missiles in addition to fixed targets makes it likely that Britain will be subject to a blanket nuclear attack in the event of any hostilities.

Thirdly, the 1958 pamphlet refers to damage from blast and fall-out but says nothing whatever about the other effects that are now thought to be likely, such as the nuclear winter.

I should like to cite some examples of the advice in the pamphlet which the Minister appears to think is much the same as what is needed now. We are told that

"people who saw the mushroom-shaped cloud would do well to make ready to shelter in case fall-out followed in their area."

If I saw a mushroom cloud, I would be more inclined to make ready to meet the Almighty.

"Remember that the fall-out might be so dangerous that you would have to stay indoors for two days after it came down. This means that you might not be able to get out to milk your cows and they might be in considerable pain by the time you could milk them again".

The Home Office now recommends that one should stay in one's shelter for 14 days before emerging. One can imagine the condition of cows left without being fed or milked for such a long period.

I must give one further example of the advice in the 1958 pamphlet.

"you should cut and cart away the grass from your pastures, especially if the fall-out had come in the summer when growth was quick. This treatment would remove most of the fall-out from the pastures. Your cows could then graze the new grass as it grew."

Presumably that contaminated grass would have to be taken to Sellafield for reprocessing.

The final sentence that I have quoted is open to serious doubt, because the new grass could grow only in the presence of heat and light.

The term "nuclear winter" is used to describe the climatic consequences of the smoke and dust raised into the atmosphere in a nuclear conflict. The seminal work on this issue was done by Dr. Turco, Dr. Toon, Dr. Ackerman, Dr. Pollack and Dr. Sagan — TTAPS for short. Their study was subjected to rigorous scrutiny by 100 physicists and biologists before it was published in America in 1983, and was debated even more fully at the Washington conference in October that year. The International Scientific Committee on Problems of the Environment—SCOPE—is now considering the matter further, and I have been advised by people in Edinburgh university that there is a widespread consensus among scientists all over the world that this thesis makes sense.

Some of us find it odd that it has taken scientists so long to discover that there is no fire without smoke. The thesis is as simple as that. It requires a calculation of the volume of smoke and dust that would be raised into the atmosphere by a nuclear conflict and a further calculation of how much heat and light from the sun would be blocked by this pall of smoke.

In a written reply of 6 March 1981, the Ministry of Defence said that a 1,000 megaton attack would be required to ensure the destruction of cruise missiles in Britain. The TTAPS study shows that as little, if I can use that word, as 100 megatons could raise enough smoke and dust into the atmosphere to darken the sky and reduce temperatures to minus 20 deg C during an artificial winter lasting two months. A bigger conflict could make things even worse and we should remember that those climatic changes would affect the whole hemisphere.

It has been estimated that only 11 million of our population of 55 million would survive the initial nuclear attack. If a nuclear winter were to occur during the spring or summer, the survivors would find themselves in a devastated, dark, freezing radioactive desert with no prospect of food supplies for many months. There is growing scientific evidence to support the thesis, but the Government, and especially the Ministry of Agriculture, Fisheries and Food, have apparently decided to ignore all of the evidence and to adopt tactics that are intended to mislead the public.

In a letter of 21 December, the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food told me that:

"More than one expert has seriously questioned the inputs to the study and the authors themselves have acknowledged that their estimates of the physical and chemical impacts of nuclear war are necessarily uncertain because they used one-dimensional models, because the data base is incomplete, and because the problem is not amenable to experimental investigation".

To take the last point first, thank God it is not amenable to experimental investigation. However, there is evidence from volcanic eruptions to suggest that dust in the upper atmosphere can affect daylight and temperature.

I must try to deal with the Minister's attempt to discredit the entire study, for that is what it is. I asked her to list the scientists to whom she had referred as having reservations about the findings. In a written reply on 21 December she listed nine scientists, including Dr. Norman Myers of Oxford and the five members of the original TTAPS team. This appears to be a mischievous interpretation of the fact that, although they believe that a nuclear winter would be more than likely to occur, it is not absolutely certain in all possible circumstances. I know that Dr. Myers has protested directly to the Minister about her reference to him as a doubter. Meanwhile, Ministers were refusing to allow civil servants to attend scientific seminars, which were being held to discuss the study, all over Britain. There are none so blind as those who will not see.

In marked contrast, the United States Government set up a panel of scientists to review the issue. The panel published its findings last month. It said in its conclusion: "there is a clear possibility that great portions of the land areas of the northern temperate zone (and, perhaps, a larger segment of the planet) could be severely affected. Possible impacts include major temperature reductions (particularly for an exchange that occurs in the summer) lasting for weeks, with subnormal temperatures persisting for months. The impact of these temperature reductions and associated meteorological changes on the surviving population, and on the biosphere that supports the survivors, could be severe".

The United States Government are therefore taking this material seriously, and rightly so.

It seems a mischievous, cruel nonsense for the Government to attempt to conceal such evidence from the British people. If the Minister refuses to acknowledge the validity of this evidence tonight, I must appeal to scientists to give their evidence on these affairs to Members of Parliament direct to enable Parliament to inform the people, if the Government insist on obscuring the facts.

We know that the Government are obsessed with nuclear weapons, but many of us, and a growing proportion of the population, think that the time has come for nuclear tacticians to see that they have fallen victim to their own deterrence. This is not Left-wing propaganda. It is a matter of historical fact. So I can appeal to this Minister at least to stop trying to kid farmers that they will be able to go back to producing food within days of a nuclear holocaust under the supervision of farm wardens wearing tin hats.

There is increasing evidence that the combined effect of blast, heat, radiation and the subsequent long, freezing night would put an end to food production as we know it. The time has come for a different defence strategy, but that is a matter for another Minister. I certainly hope that this Minister of State will at least say something about the relevance of the TTAPS study and the nuclear winter thesis to the United Kingdom agriculture industry.

10.26 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John MacGregor): As the hon. Member for East Lothian (Mr. Home Robertson) rightly said, his concluding comments were directed much more to defence matters than to agriculture. Obviously the hon. Gentleman would not expect me to go into them tonight.

The hon. Gentleman has shown his interest in this subject by the number of parliamentary questions that he has asked recently and by his correspondence with my hon. Friend the Parliamentary Secretary, to which he referred. Therefore, I am grateful to the hon. Gentleman for providing in an Adjournment debate an opportunity for me to explain in greater detail than is possible in

[Mr. John MacGregor]

parliamentary questions the Government's position, particularly in relation to the pamphlet that is the subject of the debate.

I should like to address the subject under three main headings: first, the need for such a pamphlet as is proposed; second, the contents proper to such a pamphlet; and, finally, the timing of issue of such advice. The basic premise is that the whole purpose of our defence policy is to prevent the escalation into nuclear war of any other act of aggression on our country. It has very successfully achieved just that over the last 40 years, but to make that deterrence policy even more credible we have to have proper civil defence planning for any eventuality. We must also, under more recent planning assumptions, have regard to lesser eventualities such as a crisis short of war or a period of conventional war.

I do not intend to deal tonight with either of those two eventualities — a crisis such as food shortages, or anything of that kind, or a period of conventional war— because the hon. Gentleman did not do so. However, since both the hon. Gentleman and I have concentrated so much recently upon some of the huge surpluses that we have to deal with in certain commodities in the European Economic Community, we ought to recognise the beneficial aspects of having modest surpluses in certain commodities, because they can help to alleviate some of the crises relating to shortages of commodities around the world. We ought also to recognise the benefits of the increasing move towards self-sufficiency that we have so successfully achieved in recent years in British agriculture. This makes the situation so very different from what it was 30 or 40 years ago.

I want to concentrate, as did the hon. Gentleman, upon the nuclear question. The Ministry of Agriculture, Fisheries and Food is well forward with its civil defence planning for food and for agriculture on which advice to farmers must be based. There is no secret about the general outlines of our planning. They were set out in Home Office circular ES 1/79 which is available to the public and which was issued to local authorities in January 1979. Much the same material is contained in the new Home Office consolidated circular on civil defence that was issued to local authorities in draft for comment in July of last year. A copy is available in the Library.

Against this background, the question arises, how much of this material, much of which is organisational, needs to be made known directly to individual farmers and what further advice should they be given about what they themselves should do? I turn, therefore, to answering those questions in relation to the possibility of nuclear war and its consequences.

Nobody disputes that, in the event of a large-scale nuclear attack on the United Kingdom, there would be very large numbers of casualties and widespread disruption. Here we are on territory that is, for most of us, mercifully uncharted, but because of its unfamiliarity it is an area in which we need to give advice. As with conventional war, there is very little to be said that might help those who were at or close to ground zero of a nuclear explosion. The more likely risk in the case of most farmers might be the dangers resulting from radioactive fallout from an explosion some distance away. That was the position when our original booklet, to which the hon. Gentleman referred, was published in the 1950s. It remains so today, as does much of the advice that can be given to farmers on this matter.

Therefore, it is our intention that this is the ground that should be covered when a new edition of our booklet of advice to farmers is published. I know that some of the advice to be given consists of taking simple action such as getting cattle inside where possible. The hon. Gentleman made some fun of that. I am not suggesting that it is funny, but the hon. Gentleman tried to make it into a funny piece of advice. Another simple action was the covering up of water supplies or improving the protection given by walls by stacking various kinds of material against them. It is easy to criticise advice on those lines as inadequate in the face of the enormity of a nuclear attack, but the fact remains that such action could make all the difference between losing cattle and keeping the radiation dose down to acceptable levels and to having rather than losing a supply of water.

The hon. Gentleman has spoken at length about the perils of a nuclear attack, and, in particular, of the possible effects of a so-called nuclear winter. He is clearly impressed by the case made by eminent scientists about the likely effects of nuclear conflict on the atmosphere. He referred to a particular study and article. He argued that those effects have a bearing on contingency plans for agriculture and on the content of the booklet.

We have never attempted to disguise the fact that the consequences of a nuclear exchange will be appalling. That is why we must prevent war from ever breaking out in the first place. NATO's policies of deterrence, coupled with the unceasing search for genuine arms control agreements, are the best means of maintaining our peace and freedom. As I said earlier, they have worked for 40 years.

However, it would be premature to speculate on the implications of the nuclear winter hypothesis until the results of further more detailed work, carried out in the field to test its scientific validity, are available.

Mr. Gavin Strang (Edinburgh, East): My hon. Friend the Member for East Lothian (Mr. Home Robertson) has done the House and the country a service by initiating this short debate. He has rightly brought out that the Government, for reasons that I do not understand, have sought to play down, if not discredit, the agreement between American and Soviet scientists that a nuclear winter is the likely outcome of nuclear exchange, not necessarily an all-out nuclear exchange. Why are the Government seeking to play down that result?

Mr. MacGregor: I am not playing down the consequences of an appalling nuclear holocaust, but there are all sorts of possibilities. Let me go into those briefly, from the agriculture point of view. Obviously, what the hon. Member for East Lothian was talking about takes us much wider into the whole area of defence policy as well.

We need to have the results of further and more detailed work to test the scientific validity of the claims; that brings me to a point that the hon. Gentleman made great play of in his speech. In a sense, I detected that he was calling for an update of the booklet and at the same time arguing that it would be irrelevant because of the dangers of a nuclear winter. That seems to be somewhat contradictory, but perhaps I slightly misunderstand his position. He seemed to be urging that we produce the booklet for guidance to farmers—

Mr. Home Robertson: Let me clarify the point. It is fairly futile to offer advice on survival in circumstances where it is becoming increasingly evident that people cannot survive. I am suggesting that, if the Government go ahead with their plans to publish the leaflet, they will simply be trying to mislead the public into thinking that a nuclear war can be survived. That is why I am suggesting that the Minister should not go ahead with publishing the pamphlet.

Mr. MacGregor: Let me come to that point later.

Let me talk directly about the present position with regard to the nuclear winter. The theory has received wide publicity and was the subject of an article to which the hon. Gentleman drew attention. The article is 10 pages long. It contains two rather complex scientific tables and six detailed graphs and concludes with 88 references and notes.

I am not qualified to test the authenticity of that theory. However, I am surprised that the hon. Gentleman should claim that he was deliberately misinformed when, in reply to a question on 21 November 1984, he was told that reservations about the conclusions of that study had been made by some of those who were themselved involved in the study. That reply was in no sense an attempt "mischievously to undermine the study". There were reservations about the study. The article to which the hon. Gentleman referred ends as follows:

"Our estimates of the physical and chemical impacts of nuclear war are necessarily uncertain because we have used one-dimensional models, because the data base is incomplete, and cause the problem is not amenable to experimental investigation. We are also unable to forecast the detailed nature of the changes in atmospheric dynamics and meteorology implied by our nuclear war scenarios, on the effect of such changes on the maintenance or dispersal of the initiating dust and smoke clouds. Nevertheless, the magnitudes of the first order effects are so large, and the implications so serious, that we hope the scientific issues raised here will be vigorously and critically examined."

I characterise that as a reservation, which was the point made earlier.

Dr. Brian Mawhinney (Peterborough): Perhaps my hon. Friend knows that I am the only professional radiation biologist in the House. Will he accept it from me that the variation in the assumptions behind that paper are of such a magnitude, and the things that people can do to protect themselves from nuclear blast and fallout are such, that any counsel that no action should be taken because of this doomsday scenario would be unfortunate?

Mr. MacGregor: I am grateful to my hon. Friend for that intervention, which makes the point that I sought to make. Indeed, the authors sought to make that point but did not put it so clearly. I noted that the hon. Member for East Lothian acknowledged that action could and should be taken to deal with lesser effects of nuclear radiation.

The proper perspective on the matter was well put by another scientist, Dr. John Maddox. He was the author of an article in the magazine *Nature*, published on 1 March 1984. The article was headed:

"Nuclear Winter, Not Yet Established",

and subtitled,

"Talk of some of the consequences of nuclear warfare had better be postponed until some of the underlying assumptions are better understood."

My hon. Friend the Member for Peterborough (Dr. Mawhinney) made that point extremely well.

The article concludes:

"there is the strongest case for asking that the prospect of a nuclear winter should not be made into a more substantial bogeyman than it is by those who earnestly wish to avert the prospect of nuclear war as such. By clouding the case with disputable predictions they are in danger of weakening it."

That is what the hon. Member for East Lothian did tonight.

Further reservations were expressed by Dr. Fred Singer in the magazine *Practical Civil Defence*, published in August 1984. The article is entitled,

"Is the 'Nuclear Winter' Real?",

and Dr. Singer questions what he describes as outstanding uncertainties that need investigation.

The current position is that the debate on this matter continues. Further studies are being conducted by the international scientific community, most notably by the neutral body SCOPE, the Scientific Committee on Problems of the Environment, part of the International Council of Scientific Unions. That is an important point. The results of the study are expected in 1985, and the Government will await them with interest. We would not wish to dismiss the nuclear winter out of hand, but as matters stand, many aspects of the argument must be regarded at least as not proven. We shall not, therefore, cover that matter in our pamphlet.

It is important to understand that all this does not mean that our booklet will be of no value. We must plan for a wide range of possible scenarios in our agricultural planning, and cover areas which I have mentioned only briefly, including conventional war and other world crises that prevent the free transport of food as well as the nuclear winter scenario.

Even if we accept the nuclear winter theory without criticism—that is a long way from where I stand tonight—the fact remains that we must still plan for lesser scale attacks, whether conventional or nuclear weapon attacks. There are simple steps which farmers can take to provide some protection for themselves and their farms against the hazards of nuclear attack. It is right that we should renew advice to farmers on what to do about these matters. It will, therefore, be included in our booklet, which still has a useful role to play in this respect.

The timing of the publication of the revised edition must be considered carefully. One reason for considering a revised edition is that, with the renewed interest in civil defence, we are receiving a fairly regular stream of inquiries about such an updated booklet. Therefore, the Government believe that advice to farmers should be published along the lines of that contained in the 1950s pamphlet, now long out of print, and with the same objectives. I stress that much of the advice remains as it was. However, we must not get the importance of the document out of proportion. The main thrust of the Ministry of Agriculture, Fisheries and Food civil defence planning must remain the work being done within the Department, some of which, where appropriate, is being pursued with local authorities.

Some wish us to take more advanced action with regard to the plans—for example, by appointing now the farm wardens who in wartime would be a vital link between a local group of about 20 farmers and the officers of our local agricultural control organisation—the body that would be created at that time to support and guide the industry. However, our present view is that there is no current need to make the appointments, although all the contingency plas are ready.

The areas to be served by each farm warden have been delineated by our regional and divisional offices, and they have identified the sources from which such people might

[Mr. MacGregor]

quickly be drawn. Those chosen would already be people well known in their localities, who already had a good working knowledge of the farms in their areas; that would be their most valuable asset in acting as a channel for advice to farmers, and in conveying farmers' problems to the wartime Ministry.

The hon. Gentleman asked me to record the present position with regard to the new edition of the advice to farmers. The text has been prepared by civil servants in my Department with access to officers of the Agricultural Development and Advisory Service for technical farming advice, and to Home Office scientists for material relating to the effects of blast and radiation. The text is substantially complete but is being revised to take account of the latest findings in the new Home Office rules on calculating the effects of radiation and blast. The booklet, as I said, will deal mainly with what we believe to be the aspect most likely to cause problems for farmers—the effects of radiation from fallout.

As for the timing, I cannot give a firm commitment about publication. It depends on when the work is completed. The hon. Gentleman should not complain that the booklet has not been put to press, because it gives me the opportunity to examine his comments and advice on the booklet. One possibility would be to time publication to coincide with the issue of other civil defence publications in the pipeline, so that it can be seen for what it is—a routine but important part of the Government's continuing work to advance the state of readiness of civil defence.

Mr. Home Robertson: Can the Minister confirm that the pamphlet has been revised? Does he recall that HMSO listed it as being published as long as two months ago? Why has it been suppressed? Are the Government embarrassed about it?

Mr. MacGregor: I suspect that the hon. Gentleman is so eager to catch his train that he did not listen to my concluding remarks. I made it clear that the booklet is in its final stages of revision, but that it must be finally revised to take account of the latest findings in the new Home Office rules on calculating the effects of radiation and blast. I repeat that it may be desirable to publish it with other civil defence publications in the pipeline, and I hope that if we do so, it will be seen as part of the Government's continuing programme to advance the readiness of civil defence. In that context, I hope that he will welcome it.

Question put and agreed to.

Adjournment accordingly at seventeen minutes to Eleven o'clock.

House of Commons

Friday 25 January 1985

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITIONS

Marylebone Station (Closure)

9.35 am

Mr. Laurie Pavitt (Brent, South): I beg to ask leave to present a petition on behalf of my constituents and many others in the London borough of Brent and adjoining boroughs, which showeth

That the proposals of the British Railways Board to discontinue all railway passenger services between Marylebone and Northolt Junction and from the following stations: London (Marylebone), Wembley Complex, Sudbury and Harrow road, Sudbury hill, Harrow, inter alia, will impose an unacceptable degree of hardship; will cause congestion on both road and rail for travellers; will lead to an increase of public expenditure in the years ahead and the issue of the final closure notice during the main holiday period is a secretive and undemocratic manner of removing important rail facilities.

Wherefore your petitioners pray that your honourable House will use its influence upon British Rail to give more time for protesters to make their views known and to urge the Minister of Transport to withhold his assent until he is fully satisfied that not only the hardship for travellers but the social and economic consequences of the proposed closures have been fully assessed.

And your Petitioners, as in duty bound, will ever pray etc.

To lie upon the Table.

Human Embryos

9.36 am

Mr. Graham Bright (Luton, South): I beg to ask leave to present a petition to the House, signed by 3,044 of my Luton, South constituents, entitled Petition for the Protection of the Human Embryo. They affirm their belief that the newly-fertilised human embryo is a real, living individual human being and they oppose all practices which discriminate against the embryo or violate his or her human dignity or the right to life. The petition continues:

Wherefore your petitioners pray that the House of Commons will take immediate steps to enact legislation which forbids any procedure that involves purchase or sale of human embryos, the discarding of human embryos, their use as sources of transplant tissue or as subjects for research or experiment (unless this is done solely for the benefit of the embryo concerned).

And your Petitioners, as in duty bound, will ever pray etc.

To lie upon the Table.

Orders of the Day

Sexual Offences Bill

Order for Second Reading read.

9.37 am

Miss Janet Fookes (Plymouth, Drake): I beg to move, That the Bill be now read a Second time.

The overriding purpose of the Bill is to afford far greater protection to women and girls than they currently have in the very delicate and difficult field of sexual offences. There are, I hope, other benefits, but that is the one about which I am most concerned. A secondary purpose is that I hope that it will make men and women more equal before the law than they are under the current laws.

I will first sketch in the background. That leads me to the first three clauses of the Bill. Hon. Members who have read it will note that, although it is not technically divided into two parts, effectively it is. I start with my own city of Plymouth. Sailors home from the sea have known for years of a street called Union street. I shall not dwell upon the activities that take place there, but they are well known. Around that street there is a series of perfectly respectable residential streets—it is not a huge area—where the residents have been increasingly plagued in the past few years by the activities of prostitutes on the street, with their pimps and ponces in the background, though not always so much in the background, and by the development of the menace of what is usually called kerb crawling.

I am sure that I need not describe in great detail what that involves. A man on the hunt for a prostitute instead of going on foot will take his car and circle slowly round and round an area looking for likely women, stopping and having something of a bargaining session with them; if that proves fruitful, off they will go. From the point of view of ordinary women who live in that area or who have to pass through it on their way to work, it can be an extremely embarrassing and unpleasant experience to be accosted if they have no wish to be "on the game", as the saying goes.

That is becoming more and more intolerable, because it brings secondary nuisances into play. Quarrels arise where a prostitute and a man do not agree on a price, car doors bang and there are traffic problems when people queue up. Sadly, that happens not just in Plymouth. As far as I can tell— and I have had a great deal of evidence now in the preparation of the Bill— in every major city and town in Britain there is a small area, or sometimes a larger one, where the residents are made unhappy and where, on occasion, women are afraid to go out on their own.

A good example of that was shown on a television programme last night called "Out of Court". A gentleman living in the Tooting area waged almost a one-man campaign, supported by neighbours. He made it plain that his wife and daughter did not like to go out on their own unless accompanied by a male member of the family. For a time at least, that enterprising gentleman kept a bucket of water at the front door because some prostitutes were, on occasion, not only passing by in order to advertise their wares but were performing the deed in his front garden.

It is intolerable in a civilised society that there should be no-go areas for respectable citizens. *[Interruption.]* Does my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) wish to intervene? I hear sedentary mutterings behind me. If not, I shall continue.

So we have an ever-increasing problem. I can do no better than encapsulate it in the words of the lady who wrote to me and to my hon. Friend the Under-Secretary of State and who lives in an area such as I have described. She says:

> "For years now I have been unable to walk out of my flat without being accosted by men in cars. They wink at me, flash their lights, ride alongside of me, speak to me and even offer to up the price . . . Irrespective of what I am wearing these men, both English and foreign and some of them obviously well educated, see me as a street walker. I can be carrying shopping from Sainsburys, dirty washing to the launderette, riding my bicycle, walking the dog round the square, and worst thing of all is that I cannot go out into the street and look for a cab. I have to phone for one thus paying more money. When I alight from a boyfriend's car immediately outside my own front door, a passing car will assume that I have just left a client so waits for me.

She adds:

> "The time of day is of no consequence either. I can be dashing to Sainsburys at 5 pm on Saturday, going to work at 8.30 am and coming home at 6 pm. Need I say more?"

That effectively sums up one woman's view.

The community action groups to which I have spoken endorse that wholeheartedly. The co-ordinator for the Balham action group has told me that, since he undertook that unofficial post, he has been inundated with phone calls, and calls from women who have complained to him about the unpleasantness that they have suffered. Approaches are often accompanied by extremely unpleasant language and swearing.

Let us be under no illusion as to the difficulties. The bulk of cars has caused one group in Birmingham to tell me that it sees more cars during the later evening than during the rush hour. We have a real problem and one which can almost cause nervous complaints in people who feel particularly susceptible and sensitive.

What is so extraordinary is that there is no proper law to deal with this undoubted public nuisance. We thought for a while that there was——

Mr. Nicholas Fairbairn (Perth and Kinross): There is in Scotland.

Miss Fookes: I hear a little noise from my hon. and learned Friend. I should say that the Bill applies to England and Wales only. We all know that Scotland is different.

What can we do? We thought at one time that the Sexual Offences Act 1956 covered the offence of a man importuning for immoral purposes. Ten years later, in 1966, in a case called Crook v. Edmondson, it was established that the Act did not apply to a man soliciting from a woman for sexual purposes. I find that interpretation of the law extraordinary—quirky to say the least. But since that case law was established, it cannot be relief upon. In the case of residents—the pressure is usually from residents—the police have sought to take action under other Acts, dredging up no less than an Act of 1361, the Justices of the Peace Act. That is bending the law somewhat, because it is intended for breaches of the peace and for binding over to be of good behaviour. Although there may be occasions when that is appropriate, it is unsatisfactory that there is no modern law to deal with a modern form of an old offence.

Mr. Fairbairn: If a man approaches a woman in the street and asks her whether she dyes her hair, that would be a breach of the peace. If he asks her to sleep with him, that would certainly be a breach of the peace. What is wrong with the common law?

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): There is no proper penalty.

Miss Fookes: My hon. Friend says that there is no proper penalty, but if one considers that a particular offence is unpleasant and unwelcome, it should be dealt with by a modern Act specifically aimed at it, not by relying upon some generality. Clearly, the police have found it difficult to move in such circumstances and they would have the interest in prosecuting. For those reasons, we need a modern law to help us.

That is also the view of the Criminal Law Revision Committee. This seems to be an appropriate moment to express my gratitude to that committee, and particularly to the chairman and Sir George Waller who have been kind enough to discuss with me the work that they have undertaken over several years. It gives me much greater confidence in proposing the three new offences, about which I shall talk in a moment, to know that those are recommendations from that distinguished body.

The committee took wide soundings from all sorts of groups, not only from the legal profession, but from the National Council of Women of Great Britain, the Mothers Union and the English Collective of Prostitutes. I do not think that it left anybody out who might have possible views upon the matter.

The committee modified its view from one stage to another and it has now recommended three new offences which form the first three clauses of the Bill. The first makes it an offence for a man in the street or public place to solicit a woman for the purposes of prostitution whether from a motor vehicle or after having just got out of a motor vehicle. We have tried to make the interpretation of a motor vehicle as wide as possible, so that it does not matter whether a man arrives by car, motor-cycle, van or any other vehicle, providing it is, to use the words of the Road Traffic Act 1972, "adapted for use" in a public place.

A problem arises also if a man accosts a woman for the purpose of prostitution while he is not in a car or other vehicle. Obviously, it would be foolish if, in seeking to deal with kerb crawling, we left out that possibility. There would be a temptation for men to abandon their cars and go on foot, and the cure would be worse than the disease. For that reason, the second offence occurs when a man accosts a woman while in a street or public place.

The third offence is more serious than the first two. The Bill makes it an offence for a man to accost a woman for sexual purposes in a manner likely to cause her fear. Let us suppose that a woman is travelling on the underground in London during the evening. She finds that people have got out at other stations and that she is virtually on her own in the carriage, except for a man who proceeds to make passes at her and make sexual suggestions and innuendoes in such a way as to cause her real apprehension and fear.

There are other examples where a woman might be in that position while in a place where, I hasten to add, she has every right as a citizen to be. I do not accept for a moment the suggestion, "A respectable woman would not be in that place at that time of night." A woman should be able to travel and go anywhere without fear of molestation or of being made afraid. Hon. Members will note that the legislation is phrased so as to make the test one of reasonableness, so that a woman who was particularly nervous would not be covered. The test would be whether an ordinary man, or in this case woman, was in circumstances reasonably likely to cause and induce fear.

I suggest—this is also the recommendation of the Criminal Law Revision Committee—that the first two offences should carry fines at level 3 on the standard scale which currently stands at a maximum of £400. The third offence, which I regard as more serious, will carry a maximum fine of £2,000—the highest level fine in a magistrates court. All the offences will be triable summarily. Hon. Members will notice that in no case do I suggest that imprisonment is suitable. Those who know my work in penal affairs will be aware that I regard prison as a place to be used only for violent cases. I believe that, at all costs, one should try to keep people out of prison, so it would be very much out of keeping if I suggested that these three criminal offences should be penalised other than by the imposition of fines.

That is, however, not the case in the second part of the Bill. I recommend increased penalties in cases of attempted rape and indecent assault. Attempted rape can be practically as serious as the offence itself. It may well be, for example, that a woman is on the point of being raped by a man who threatens her life by holding a knife to her in the most horrible circumstances and, by the grace of God, some interruption prevents that offence from being committed. The courts would regard that as extremely serious and, for that reason, I believe that it is important that that offence should carry the same maximum penalty as rape itself—life imprisonment.

That penalty is very much in keeping with the Criminal Attempts Act 1981 which provides that the penalty, at its greatest, should be the same for the attempt as for the actual offence. That measure was left out of the Act, so that the Criminal Law Revision Committee could examine the matter. The committee made that recommendation, and it is therefore included in clause 4.

I shall now consider the other case where I strongly believe there should be increased penalties. At the moment, the legislation dealing with cases of indecent assault is in two stages. If a man assaults a girl under the age of 13, the penalty is five years imprisonment. If a man assaults a girl above that age, the penalty is only two years imprisonment.

Let us consider what indecent assault can involve. It is not a pleasant subject, but it is such a wide-ranging offence that some commentators have suggested that there should be two offences. Under present law, there is only one offence. The offence can range from relatively harmless bottom pinching and groping—another unpleasant term—to actions which, for the woman concerned, are as bad as, if not worse than, rape. It is possible for a man to force a bottle inside a woman's body. It is possible to commit with her an act of buggery—an ugly term for an ugly deed. I suggest that many women would find that to be more painful physically and psychologically than a straightforward case of unlawful sexual intercourse.

Mr. Fairbairn: Surely in England sodomy is a major crime in its own right, whether committed on a man or woman, and whatever the person's age.

Miss Fookes: Yes; but I am saying that the penalties are not sufficiently strong. That is why I suggest in the Bill that the penalty should be increased to 10 years' imprisonment. That has the merit of bringing the penalty into line with the penalty imposed for an indecent attack by one man upon another. It is quite ludicrous to treat the two differently.

As an example, I shall quote a letter from a juror in a case heard in the Manchester Crown court by Judge Prestt. The press cutting accompanying the letter stated:

"Judge Prestt said:

'If a man indecently assaults another man the maximum sentence can be one of five years. But the maximum sentence if he assaults a woman is two years.'

He added: 'It has been said many times before but I repeat here that the maximum sentence for offences of indecent assault on a woman are wholly inadequate.'"

The juror stated:

"the defendant had been found guilty of a prolonged and serious sexual assault against a young woman. I and my fellow jurors at the case were shocked at this blatant example of sexual discrimination, which the judge, the Recorder of Manchester, quite rightly highlighted."

The juror went on to say that since the case she had done her best to bring this to the attention of the authorities. She said that she was extremely pleased about the possible effect of my Sexual Offences Bill.

In 1981, there was a dreadful case of murder in the county of Devon from which I come. In that case a woman holidaymaker had temporarily separated from her family to have a country walk along the coast. She never reached her destination, because she was appallingly sexually assaulted by the man who, to stifle her cries, murdered her. It was revealed that the man had a string of convictions showing what can be described only as an increasing pattern of violence. He had started with indecent exposure and had gone on to indecent assault. He had seriously assaulted a young woman of 18, for which offence he could be given only the maximum sentence of two years' imprisonment. The dreadful murder took place only 13 weeks after his release from prison. That was indecent assault followed by murder.

If society could have broken into that pattern of crime with the imposition of a far more serious sentence for the indecent assault, which was proved, that woman holidaymaker might still be alive today.

Mr. Mellor: My hon. Friend and I have discussed the case to which she has referred. She knows that it was one of the earliest files which I read on coming to the Home Office. I was so distressed by the account given by the trial judge of that case that I felt immediately that it was necessary to change the relevant penalties. That has been the view of an increasing number of judges and it has led to the recommendation of the Criminal Law Revision Committee.

Does my hon. Friend agree that the Devon case demonstrates that, in sentencing for sexual offences, there are two elements that the judge has to take into account? The first element is the gravity of the offence under consideration and the second is the potential of the individual concerned to commit further acts of sexual violence of a sort that require the sentence to reflect the public danger of the man being released early. When the charge is indecent assault, the maximum sentence is two years' imprisonment, whatever the man's potential to commit further sexual offences. With normal remission, the man will leave prison in a comparatively short time, with the consequences of which we are aware. Anyone who argues against increased penalties for indecent assault of the sort that my hon. Friend proposes must deal with that grave consequence.

Miss Fookes: My hon. Friend underlines cogently the argument that I was advancing and I am glad that we are in agreement.

I have referred to all the clauses, apart from those on interpretation and extent.

The Bill deals with some serious matters of public nuisance and violence of the most worrying sort. I do not pretend for an instant that this is a comprehensive Bill that is intended to deal with the entire range of sexual offences and prostitution. It would be tempting to try to do so, for I would like everything to be neat and tidy and in one Act. However, it is obviously beyond the powers of a private Member so to do. We all know the delicate nature of a private Member's Bill and the hurdles that it has to clear. I have deliberately chosen to reduce the scope of what I wish to do, to take in the public nuisance of offences in the street and to deal with two particular inadequacies in the present penalties provided by the law.

I should be delighted if my hon. Friend the Under-Secretary of State were to tell us today that the Government are minded in due course to introduce a Bill to deal with a far wider range of matters. I recognise that it is not possible to stop prostitution and we must take a clear view of where we should be moving in that respect, but I am clear about the need to take the steps that are set out in the Bill. I am not impressed by those who would urge me not to introduce the three new offences because they are worried about the actions of the police. I hope that those who are offended directly will be prepared to give evidence themselves and will not choose to rely on agent provocateur actions on the part of the police. I felt so strongly about this that I discussed the matter with the co-ordinator of a residents' group. He told me that he thought it likely that at least some of those so offended would be prepared to give evidence. I am not looking for prosecutions for all, but some salutary examples would go far in creating a deterrent effect.

Mr. Matthew Parris (Derbyshire, West): I agree with my hon. Friend about the need to introduce the woman witness rather than to prosecute on the basis of police evidence. It would be possible to write that into the Bill in Committee. Would my hon. Friend look favourably upon that?

Miss Fookes: Like many Ministers, I would not wish to commit myself off the cuff. I should be most willing, however, to consider that possibility. I would need to ensure that any recommendation on those lines was in keeping with other processes in the law. Off the cuff, I am not aware whether my hon. Friend's proposal would infringe them. I would need to be careful before giving a commitment. However, I would be happy to consider my hon. Friend's proposal, as I know that it covers a matter which concerns some of my hon. Friends and, no doubt, some Labour Members.

In conclusion, I offer the Bill as a modest but, I hope, an effective proposition that will go far to deal with the nuisances and the violent crimes which I have outlined. It is in that spirit that I commend it to the House.

10.7 am

Mr. Tom Cox (Tooting): I warmly welcome the Bill and offer my sincerest congratulations to the hon. Member for Plymouth, Drake (Miss Fookes) on introducing it. She will be giving great hope to women throughout the country who have undoubtedly, as she has said, suffered from the actions of kerb crawlers. She will be giving great hope also to communities such as the one which I represent, where local residents have had to suffer year after year the abuses, threats and noise that arise when an area becomes the haunt of kerb crawlers.

Over the years that I have been a Member of this place I have asked literally hundreds of questions on this issue. I have met Home Office Ministers and I have initiated debates in which I have explained what has happened and is still happening in the part of my constituency that suffers from kerb crawlers and prostitution. Home Office Ministers of successive Governments—indeed, I had a debate on this problem some years ago with the present Home Secretary — have said that we must wait for action. We have been told that the Home Office is fully aware of the problems and the suffering that communities have to face, but we must await the introduction of more modern legislation.

Sadly, the years passed and the local people in my constituency never really believed that anything would happen to start to deal with their problem, which starts in the early afternoon and continues until the early hours of the following morning. Motorists are to be seen driving around for hour after hour looking for prostitutes. As the hon. Member for Drake said, any woman who walks along the streets of some areas — areas which have been invaded by kerb crawlers—will be seen as a potential prostitute. They can be young school girls or elderly ladies who are pensioners. They can be walking home from school or going home from work. I have even been contacted by women to tell me that they have been stopped by motorists when taking their young children out. They have been seen as potential prostitutes. One can understand their disgust. The problem became so bad that residents set up a protest group to try to frighten off both kerb crawlers and prostitutes. Sadly, they were subjected to threats, and their windows were broken by the minders of some of the girls concerned.

The problem became even worse and the Wandsworth police, with whom I have worked on the problem for many years, are fully aware of the nuisance caused. I give them credit for what they have tried to do, but their problem has always been insufficient manpower to allocate enough officers to the areas involved and the lack of modern legislation under which to take action.

The problem exists not just in my constituency but in a large number of areas throughout the country. A few months ago I had an Adjournment debate on this subject, which was answered by the Parliamentary Under-Secretary of State who is to reply today, and I cited a large number of areas which suffer from this problem. Communities throughout the country have called for action, but, due to the lack of modern legislation, many police forces are reluctant to take action. In the city of Nottingham, however, the problem became so bad that the police were forced by public pressure to take action under a law going back several centuries. As a result, offenders began to appear in court.

I have always believed that any meaningful attempt to tackle the problem requires modern legislation. Neither I nor residents in my area have sought simply to move the problem from one area to another, so that residents now suffering can heave a sigh of relief while residents in an adjoining area start to suffer. I am sure that no hon. Member wants that. That is why it is essential to bring in modern legislation.

Some people have said that, although such a proposal sounds very attractive, there are dangers involved. It is suggested that a person coming into an area which he does not know and genuinely looking for an address may stop someone to ask the way. That has happened to many of us. When I went to north London yesterday with a colleague, I stopped someone to ask for directions. Surely common sense is enough to deal with that aspect. We know that kerb crawlers operate in certain fairly restricted areas. If the local police see someone driving round and round such an area and stopping only to talk to women, common sense should suggest what he is doing. If, when challenged, he claims to be genuinely looking for an address, why should he stop only women? In my view, the person who is genuinely asking for directions has nothing to fear from the proposals. Moreover, I believe that the realistic fines and the consequent publicity will act as a deterrent to the people who, sadly, infest many constituencies and cause problems.

I hope that magistrates will take serious note of the legislation when it becomes law. Magistrates in my area have not always been as helpful as they could be. Representations have undoubtedly been made to them by senior police officers, as often occurs in relation to matters dealt with by magistrates courts, but the help to which we are entitled has not always been forthcoming. I hope that when the Bill becomes law magistrates will pay careful attention to the new provisions and the penalties available.

The Bill is based on the report of the Criminal Law Revision Committee. At long last we have the opportunity to put modern legislation on the statute book, and I greatly welcome that. I hope, too, that there will be no further instances of women police officers pretending to be prostitutes in areas where kerb crawling is a problem. A press report last month carried the following headline:

"Girl Cop's Vice Trap Clean-Up".

It reads as follows:

"Pretty policewoman Jenny Wood went undercover as a 'vice-girl' to clean up one of Britain's most sedate seaside resorts . . . Bournemouth.

The sex trap worked. Kerb-crawlers looking for a good time chatted up the attractive decoy and were promptly arrested."

Police forces in areas in which kerb crawling is a problem should have enough evidence to act without using methods of that kind, and it is quite wrong that they should employ such methods.

When my right hon. Friend the Secretary of State for Northern Ireland was a Minister of State at the Home Office, I put down a series of questions on that issue, as it is not confined to Bournemouth, but he offered no help at all. There was not even any statement of concern. Whatever the question, he merely replied that the way in which police forces were used was not his responsibility.

Mr. Parris: I appreciate the hon. Gentleman's dislike of the use of policemen or policewomen as decoys, but even under the Bill I do not see how the police will be able to watch what is going on and stop people if they cannot do so in plain clothes.

Mr. Cox: The use of plain clothes police for observation purposes is quite different from the practice that I have described, which should be a matter of great concern to the House.

I took the point made by the hon. Member for Drake towards the end of her speech. This is a neat and tidy Bill designed to deal with a specific problem. However, on 14 May last year we had a long debate which demonstrated great concern among hon. Members on both sides of the House. The debate was about the actions of police officers with regard to homosexuals and their activities in clubs. I shall not make more difficulties for the Minister by asking him whether some relevant provision could be included in the Bill. However, eight months after that debate we are entitled to be told when the Home Office intends to amend the existing law. Many hon. Members are very concerned about the activities of certain police officers. I cannot believe that police officers who go to certain clubs dressed in a certain way do so only for purposes of observation. We are entitled to know what the Home Office is doing on that matter.

We have already been reminded that prostitution has existed for a long time. I am sure that none of us thinks that we will be able to stop it. However, there are today differing types of prostitution. There is the call-girl system, when the girl operates from her flat. There are the nightclub hostesses who, as part of their job, pick up men and make arrangements with them. If we want to rid our streets of kerb crawlers, we must also consider whether it is time for a change in the law to allow women to advertise their services as prostitutes.

That is very different from licensing brothels. Advertisements in many newspapers leave one in no doubt about the services that are being advertised. It is time that the House and the Home Office — the responsible Department—agreed that if we want action against kerb crawlers we must be realistic and admit that there are people who use the services of prostitutes and consider whether the time is right to give prostitutes an opportunity to advertise their profession.

In recent years there has undoubtedly been a huge growth in prostitution in this country. On 22 November 1984 I received from the Home Office figures for the number of women charged. The figures were for the number of women appearing at the south-western magistrates court in Battersea. In 1982, 203 women were charged with offences relating to prostitution. In 1983 the figure was 476. That is an enormous increase. I suggest that the figures throughout the country are probably similar. I should like to know what surveys are being carried out by the Home Office to try to ascertain the reasons for the increase.

There may be some women who like that life, but I am certain that the vast majority do not. *The Borough News* is a well respected Wandsworth paper in which the Minister and myself are often mentioned. I hasten to add that we are generally mentioned with approval, as local Members of Parliament. In last week's edition there was a report headed:

"Prostitution 'for sake of children'".

The report referred to a local woman appearing at Marlborough street magistrates court. She said that

"she walks the streets for the sake of her children. 'I'm not in the business because I like it . . . I have two children and I do it on odd occasions to make money . . . I gained qualifications, but you just can't get a job in Yorkshire.'"

The woman had previously lived in Yorkshire.

We are entitled to be told whether any studies are being done by the Home Office to try to find out the reasons for the growth in prostitution. This is in no way a political debate. There is wide support for the Bill. But what must be of great concern for us all is the increasing number of youngsters who are turning to prostitution.

I am sure that some other hon. Members saw the television programme entitled "Rent Boys". It was a programme about young boys in Birmingham who were openly soliciting on the streets. They were 14, 15, and 16 years old. It was a sickening programme. I received 30 or 40 letters from constituents who had watched it. Did the Home Office take note of the programme? Has there been any liaison with the Birmingham police to find out what action is being taken in the wake of that programme?

Last December my hon. Friend the Member for Houghton and Washington (Mr. Boyes) introduced a debate on the proposed changes to the DHSS board and lodging provisions. There is a housing association in Wandsworth, Threshold, which I expect also operates in the Minister's Putney constituency. Threshold has been in touch with me to express concern about the proposed changes to the board and lodging payments made to young people.

During the December debate I read out a letter sent to me by a youngster who was out of work and who was sleeping on local park benches. He had no job, no home and no money. While I wish to see action taken against kerb crawlers, I also want action to stop boys and girls going into prostitution. I hope that the Minister, like the experts who work with young people and who are acquainted with the sad problems caused by unemployment, realises how hard it is for such young people to survive.

This week, no doubt in common with other hon. Members, I received a letter from Shelter commenting on the Government's proposals. According to Shelter, those proposals may mean major cuts in benefit for many people living in board and lodging accommodation. Shelter believes that many could be made homeless, and that young people are especially at risk. I believe that this discussion should be set in a wider context. We should not only be tackling the problem that we know to exist in many areas, but should be doing all that we can to stop young people becoming involved in prostitution.

I am not making a political point, but some of the Government's proposals will put enormous temptations before some youngsters. It is easy to say that they should not fall into temptation, but if they do not know where they will sleep tonight, or whether they will have any money in their pockets tomorrow, temptation is enormously difficult to resist, even for normally rational people. I hope that the Government will conduct a survey and support organisations such as Threshold, which works in my area, Shelter and the Campaign for the Homeless and Rootless, all of which work with young people.

The Bill is long overdue and will therefore be warmly welcomed by many people throughout the country. I hope that both Houses will give it overwhelming support. Discussions that I have had with right hon. and hon. Members show that there is support on both sides of the House. When the Bill becomes law, the hon. Lady will be entitled to the thanks of thousands of people. I shall be the first to salute her efforts. I hope that we are starting, and

that in a few months we shall see the conclusion of, something that will make life much more pleasant for many of our constituents.

10.31 am

Mr. Charles Irving (Cheltenham): I congratulate my hon. and dear Friend the Member for Plymouth, Drake (Miss Fookes) on her success in the ballot and pay great tribute to her courage in deciding to tackle this thorny and delicate issue.

I am grateful for this opportunity to express my full support for the principle of the Bill, although I must voice a few misgivings and a little disquiet at some of the Bill's substance. My hon. Friend has enormous experience of these matters as she has had to live with them in her constituency. In my salubrious constituency of Cheltenham and in the leafy lanes of Gloucestershire, we are perhaps somewhat closeted from these unpleasant and harsh realities of the urban world of London, Plymouth, Birmingham and other major cities. It would seem that the affliction of kerb crawling, like many other modern social problems, is restricted to a few areas of the country.

I am happy to support the principles of the Bill, although it is a sad indictment of society and a reflection of the recent worsening of the problem that the House should have to debate the matter at all. Clause 4 is in some respects one of the most important. The increase in attempted rape and rape is horrendous, as my hon. Friend said. She has suggested that the deterrents should commend themselves to both sides of the House. The Bill is timely and vital as it deals with the escalating problem of kerb crawling, which the hon. Member for Tooting (Mr. Cox) has described, even if it is prevalent in only a few areas. It aims to deter men who, through indiscretion and a lack of respect for women, cause a nuisance. There is sufficient evidence to record that kerb crawling induces much fear among women who are not involved and who have no wish to be accosted in the street while going about their ordinary business.

The House has a duty to afford protection to the individual citizen but, when considering kerb crawling, I urge my hon. Friend to recognise the difficulties that legislation of this type might incur and to acknowledge that, irrespective of whether kerb crawling is an offence, the problem will not go away. To use a common phrase, it is the oldest profession in the world. We must achieve a fine balancing act between protecting people who object to such behaviour—I imagine that that includes the vast majority of the nation—and the innocent passer-by who, through no fault of his own, might, as a result of greater suspicion and vigilance by the police, be assumed to be committing an offence when he is not.

There are already numerous laws that give the police considerable powers to control our streets. For the problem of kerb crawling there is legislation going as far back as 1361, as my hon. Friend said. I accepted her contention that that is entirely unsatisfactory. The definitions in the Bill such as, "likely to cause fear" in clause 3 and, "persistently to solicit" in clause 2 are broad, possibly open to distortion and quite likely to bring the law into disrepute if too many errors are made by the police in their anxiety to put the Bill into practice. It should be essential for the case to be proven for the woman who has been offended against to appear in court in connection with the crime. Although I support fully all that has been said, we must ensure that the Bill does not become a blackmailers' charter.

I urge my hon. Friend and the Government to consider the implications that might flow from the enactment of the Bill. I hope that, in Committee, there will be an opportunity to build in some form of protection for the innocent and to ensure that men and women alike are protected. There have been several cases of men suffering gravely from injustices as a result of existing laws. This might be an opportunity to correct that. It is right that, as long as female prostitutes can be charged for soliciting, male kerb crawlers should also be charged, as the offences are almost identical. Moreover, we live in an age of sexual equality. Although I support the intention behind the Bill, I urge that some thought be given to alternative arrangements as a result of kerb crawling being suppressed, because eradication of the problem is utterly unrealistic. I cannot emphasise too strongly the need for safeguards of the innocent.

My hon. Friend produced powerful oratory to explain to the House an unpleasant subject that is often driven under the table or swept under the carpet. There is no doubt that I and the Opposition would find it extremely difficult not to take on board this sensitive and difficult problem. I am happy to give my hon. Friend all my support.

10.40 am

Mr. Alfred Dubs (Battersea): I welcome the aim of the Bill, which is to give welcome protection to women who suffer harassment and fear on the streets. Therefore, I congratulate the hon. Member for Plymouth, Drake (Miss Fookes) on introducing the Bill. The House knows of her commitment to penal reform and that she would not lightly seek the creation of new offences or harder penalties unless she believed that such a move was both merited and necessary.

My hon. Friend the Member for Tooting (Mr. Cox) referred to the problem in his constituency. The Bedford hill area covers his constituency and part of mine. Since I first came to the House in 1979, I too have received a continuing stream of complaints about kerb-crawling men from women in the area. Some of the complaints are extremely bitter. I was once told by a mother that her schoolgirl daughter aged 14 was afraid to walk home from school in the afternoons because she was being harassed and hassled by kerb crawlers. I have received millions of complaints about what it is like to walk home on dark afternoons and evenings and to be subjected to such intimidation.

On several occasions I have approached the police about the problem. Wandsworth council is also aware of the problem and is now contriving a complicated traffic scheme to make it more difficult for kerb crawlers to pursue their activities. Obviously, it is more sensible to give the police the powers they need to tackle the problem than to contrive a complicated, costly and illogical traffic scheme to reduce kerb crawling.

I understand that the matter is difficult for the police to deal with. Although some people, including the National Association of Probation Officers, with whom I have been closely associated for many years, believe that the present laws are adequate, I cannot agree. Neither the laws nor the penalties are adequate. It is undesirable that, to tackle a fairly recent problem—recent in terms of the age of the

[Mr. Alfred Dubs]

legislation that they are being forced to use—the police should contort powers given to them many years ago. It is undesirable to use in that way powers which were intended for a different purpose. It is therefore right that Parliament should say, "Here is a problem. Let us devise a means by which to tackle it."

Although I am not a lawyer, I understand that some existing powers, such as those for behaviour likely to cause a breach of the peace, are inadequate. I was told, for instance, that even if a woman who had been subjected to fear and humiliation by a kerb crawler was able to get the registration number of the motor car, it would be useless the following day because by then, if a breach of the peace had not been demonstrably committed, the motorist could not be brought to court. My knowledge of the law may not be sufficient to develop that point in detail, but from what the police and others have said it is clear that existing laws are inadequate.

Although I agreed with almost every point made by my hon. Friend the Member for Tooting, he may not be quite right in his assertion that the incidence of prostitution is increasing. It is true that in the local courts the number of offences connected with prostitution has increased, but that may be partly because of his pressure on the police to take more action, and partly because police activities in the King's Cross area may have forced some prostitutes to move to his constituency and mine.

Mr. Mellor: I am glad that the hon. Gentleman made that point. Most hon. Members are only too happy to take the credit for what they achieve. I was startled when the hon. Member for Tooting (Mr. Cox) made that point, because if anyone is responsible for an increase in police activities, he is. That has led to more people being brought to court. The hon. Gentleman should congratulate himself on that, rather than say that prostitution has doubled, as I do not believe that there is any basis for believing that it has.

Mr. Dubs: During the past years, I have only rarely agreed with the Minister. On this occasion I am happy to say that I fully agree with him. All credit is due to my hon. Friend the Member for Tooting.

Although I fully support the principle and aim of the Bill, I have reservations about its details, some of which have already been discussed by hon. Members. The Bill represents an extension of police powers. Providing that there are the necessary safeguards, there may be nothing wrong in that, but I am not satisfied that there are. I am worried that, under clauses 1, 2 and 3, innocent people could be caught. They may not be looking for prostitutes or kerb crawling, but the police may stop them for reasons of their own. I am not suggesting that the police will do that on a large scale, but we must take note of any further powers that we give the police.

Without adequate safeguards, civil liberties could be eroded, which is not the intention of the hon. Member for Drake. Other hon. Members have mentioned the possibility that the police may use agents provocateurs or decoys to catch kerb-crawling motorists. I am also worried that, as the Bill stands, it will be sufficient to bring a kerb-crawling motorist to court on the evidence of police officers only. That is not enough. I do not like the creation of an offence in which there may not be a victim. Although I fully understand why women and girls who have been subjected to kerb crawling have a natural reluctance to appear in court, it is undesirable that a person should be brought before a court on the evidence of a police officer only. I know that that happens with other offences, but many hon. Members are also worried about that. In court, a female victim should give evidence that she has been subjected to fear, harassment and humiliation through the activities of such a motorist. Therefore, I am unhappy about the way in which the Bill is drawn in that respect.

I now turn to some general points. The law on prostitution is both muddled and hypocritical. Some people regard prostitution as an offence, but I understand that it is not. However, there are many offences connected with it, such as soliciting, running a brothel and living on immoral earnings. Therefore, we should say clearly what we seek to do when we introduce a further measure in this area. I concede that in so far as the law on prostitution is muddled and hypocritical, this Bill is an honest and genuine attempt to make it less so. That is another reason for welcoming it. It is not necessary today to discuss the law on prostitution, nor would it be appropriate, but there may be an opportunity before too long for the House to do so.

We must consider the Bill in the wider context of the values of society. I support anything that is done to lessen the activities of kerb-crawling motorists. However, I must say that in recent years there has been a proliferation of girlie magazines and soft porn on sale freely. Such publications only add to the degradation of women and to the way in which young people are liable to devalue women and to see them as lesser people and as sex objects. If we allow such publications to be sold, it is understandable that some men have an attitude towards women that borders on the contemptuous. I do not like that.

I do not advocate the wholesale censorship of such magazines, because I appreciate that it would be far too difficult. However, at least some of the men who go kerb-crawling do so as a consequence of values in our society which all too often allow women to be degraded in print. It is a widespread and sad problem. Although I cannot suggest how those matters should be tackled—it would not be appropriate to do so this morning—I wish to throw that argument into the discussion because it is relevant to the problem. Having said that, I agree that it does not excuse the activities of kerb-crawlng men, although it may help us to understand the attitudes of some of them.

I am pleased that we are on our way to lessening the extent to which women and girls are subjected to fear, humiliation and degradation on our streets. For the sake of women everywhere, and especially those in my area, I welcome the Bill. I hope that it will be amended in Committee and that some of the reservations expressed by me and other hon. Members will be taken into account. I hope that it will leave the Committee somewhat improved, but in any case I welcome its aims and wish it success.

10.52 am

Mr. Richard Ottaway (Nottingham, North): I join hon. Members in congratulating my hon. Friend the Member for Plymouth, Drake (Miss Fookes) on choosing such an important topic for her private Member's Bill. I am pleased that she has adopted many of the recommendations of the report on prostitution in the street published by the Criminal Law Revision Committee last

August. I share her concern. The city of Nottingham has been plagued by kerb crawlers for many years. The worst area is Hyson green, which is in the constituency of my hon. Friend the Member for Nottingham, East (Mr. Knowles). I have been asked by my hon. Friend, who regrettably is unable to be here today, to inform the House that he gives his unqualified support to the Bill.

Nottingham has suffered greatly from the features associated with prostitution, such as kerb crawling and the harassment of women, and I have received many letters of complaint from constituents. The matter came to a head in 1983 when the headmistress of Nottingham high school for girls complained of harassment of her pupils. No respectable woman between the ages of 16 and 65 could walk from one end of Hyson green to the other without blushing. As a result, the Nottinghamshire police, at the end of 1983 and into 1984, mounted a successful campaign in Nottingham to try to clean up the area.

However, the need for new legislation became obvious when kerb-crawling offenders could only be prosecuted under the ancient Justices of the Peace Act 1361, a piece of legislation that is more than 600 years old. The only powers available to the police under the Act were that offenders could be bound over to keep the peace. Previous legislation such as the Street Offences Act 1959 did for a short time rid the streets of the nuisance caused by prostitutes plying their trade. But the nature of the trade made it likely that the nuisance would start again. Prostitutes can be stopped from plying their trade in an area only if it is kept under observation by the police and arrests are made when offences have been committed.

So effective was the campaign in Nottingham that over a few months the problem dwindled. Indeed, so effective was the clampdown that any self-respecting Member of Parliament would rather risk a speeding fine while driving through the area than to dawdle through and be suspected of kerb crawling. Regrettably, however, the advent of the miners' strike in March 1984 meant that forces had to be deployed in maintaining the peace elsewhere, and the campaign had to stop. It is interesting to note that since the police have been absent the problem has returned.

One or two hon. Members have expressed concern that the police may be used to induce the crime of kerb crawling. I share their concern, but when my hon. Friend the Member for Drake comes to consider the points made by my hon. Friend the Member for Derbyshire, West (Mr. Parris) and others I hope that she will bear in mind the fact that in this case a crime has been committed before an approach is made and, as such, the police officer cannot be accused of inducing the crime.

Even in Nottingham, where the police have been most vigilant in dealing with the problem, the streets are not free of prostitutes. If one way for prostitutes to find clients is denied or made difficult by the law, they will look for another way. If they cannot solicit in the streets in one area, they move to another and their clients follow them. The resources of the police in terms of officers and money make it impracticable for constant observation to be kept everywhere all the time. The more widely such an area is known, the more it will attract prostitutes and clients, and the more nuisance they will create.

It is the nuisance that is the problem, and it is the nuisance that the Bill will go a long way to solving. Kerb crawling seems to have become one of the worst nuisances. A survey in a residential area of 345 women showed that 222 had been accosted by kerb crawlers—30 once, 119 occasionally and 73 often. Those who live and work in such areas expect the law to protect them and their children from the nuisances which occur, and so it should. Some parts of towns and cities are almost no-go areas for women, who are harassed and embarrassed by the unwelcome attentions of men searching for prostitutes by kerb crawling.

As my hon. Friend the Member for Drake said, the Criminal Law Revision Committee recommended that it should be an offence for a man to use a motor vehicle in a street or public place for the purpose of soliciting a woman for prostitution. I was pleased to discover that the Bill not only does that, but makes it an offence for a man to solicit women, or the same woman, persistently in a street or public place, and makes it an offence for a man to solicit a woman for sexual purposes where she is likely to be put in fear.

The persistence clause is essential. The policy advisory sub-committee of the Criminal Law Revision Committee agreed that soliciting by a woman for prostitution would have to be persistent to constitute an offence, although that is perhaps already covered in the criminal law. With regard to men, the working party on vagrancy and street offences noted that it was important to act when a woman was accosted by a man in a public place, although it has always been unclear whether the present law penalises the man who persistently solicits a woman or women in a public place for sexual purposes. This legislation clarifies the position.

Penalties are important, and I am pleased that the Bill has extended those suggested by the Criminal Law Revision Committee and has taken in its proposal that the offences should be triable in a magistrates court. The offences and penalties will make it much easier for the police to prosecute, and the Nottinghamshire constabulary welcomes the Bill. As we have seen in Nottingham, the publicity afforded to men tried for such offences will be an even greater deterrent than the prospect of fines. The last thing a man who harasses women will want is his family and neighbours reading about it in the local press.

Although the major problem is that faced by women, it must not be forgotten that noise, quarrelling and sometimes violence, to say nothing of the build-up of cars crawling along, all have a deteriorating effect on the environment.

It is interesting to note that several so-called civil liberties groups oppose the Bill for some peculiar reason. As the hon. Member for Battersea (Mr. [illegible]s) said, the National Association of Probation Officers at its annual meeting in 1984 passed a resolution to resist any legislation seeking to control kerb crawling by the creation of new offences in the criminal law. In my constituency, the National Council for Civil Liberties criticised the Nottingham city vice squad's action against kerb crawlers. That shows how uncertain the civil liberties lobby has become, and I have no hesitation in rejecting its absurd points and in giving my full backing to the Bill, which will help to alleviate a fast-growing and intolerable problem that has infested our cities.

11 am

Mr. Clive Soley (Hammersmith): I join other hon. Members in congratulating the hon. Member for Plymouth, Drake (Miss Fookes) on introducing the Bill

[Mr. Clive Soley]

and on the way in which she presented it to the House. She is taking on a difficult issue and is dealing with it in her usual courageous way.

Working with her on the all-party penal policy group, I often find myself in agreement with her. However, on this occasion she is swimming against the tide in her party. That is a pity, but she is making an impressive struggle and I admire her efforts.

While the Opposition will not oppose the Bill today, I must express some anxieties. I am sure that the hon. Lady will take them on board for consideration in Committee, for she will agree that in this, as in many other parts of the criminal law, it is easy to set out with one intention, only to find one's efforts resulting in some unintended consequences.

Hon. Members will have such dangers in mind, many examples of which appear in the criminal law. The suspended sentence was perhaps the best example of an unintended consequence of legislation; it was designed to reduce the prison population, but in fact helped to increase it. It is important, therefore, for the House to be wary when handling issues such as this.

It is clear that a problem exists over kerb crawling and the harassment of women. People of all political persuasions agree that women should be given some protection from such harassment, and I agree, but Parliament must tread warily when dealing with aspects of sexual behaviour. Sexual behaviour, perhaps more than any other type of behaviour, leads to judgments by society involving double standards, which unfortunately usually redound to the disadvantage of women.

The expectations imposed on women in relation to their sexual behaviour are different from those that men accept for themselves. That has led to the belief that women get treated less equally in society, and there is substantial evidence for that belief.

The hon. Member for Drake dealt effectively with the difficult problem of dealing with sexual behaviour in society generally. This is a subject about which society does not like to talk and would rather brush it under the carpet. The hon. Member for Cheltenham (Mr. Irving) pointed out that it was easier to ignore the inconsistencies and double standards, or not to talk about them, simply because they were regarded as nasty, dirty or unpleasant. Some of society's worst hang-ups arise from the need to talk about sexual behaviour, and that applies whether the subject is discussed privately or in public.

Those who oppose the Bill should remember the important point that the hon. Member for Drake made about the right of women to go anywhere that a man can go at any time. We cast our minds back to the sad case of a woman who was raped when hitch-hiking and of whom the comment was made in court that it was a risk that she had to accept if she wanted to hitch-hike.

I have hitch-hiked many times. I regard it as a legitimate activity, and if it is legitimate for me, it should be legitimate for everyone. That should apply regardless of sexual identity. The hon. Lady was on strong ground in making that point, and anybody with anxieties about the Bill should bear it in mind.

The harassment of women is not new and I suspect that it will not quickly disappear. It is clear, however, that in modern times women are more willing to do something about it — to organise and press for change — and I welcome that.

The hon. Member for Cheltenham described prostitution as the oldest profession in history. He is probably right, but I suggest that it is closely followed by the professions of politics, journalism and law, and I cannot help but feel that the one begat the other three. One day when I give up my present profession I might attempt to elaborate that theory in more detail.

Mr. Irving: The hon. Gentleman, having associated such distinguished professional people with prostitution, might care to remind the House of the relationship. I have never found it.

Mr. Soley: It boils down, in great simplicity, to the fact that behaviour of this type disturbs society, that society tries to impose laws to deal with it, that the laws are debated by politicians and that journalists love stories about this type of subject.

My hon. Friend the Member for Tooting (Mr. Cox) dealt with the attitude of the press to this and similar issues and the newspaper extract that he read showed how badly the press can handle the subject of sex and violence. I get angry about it. Only the other day I was asked to make a statement, and it was clear that I was expected to express shock, horror, disgust and anger about sexually-motivated violent offences.

The press, local and national, should adopt a more responsible attitude when dealing with the problems of sex and violence in society. They handle them badly. They use the subject in a way that plays up to the prejudices of the lowest common denominator. I fear that they use the whole issue as a means of selling newspapers, rather than as an important part of society, and in turn, as I said, society tends to adopt double standards and duck the difficult issues involved. I should be happier if newspapers recognised their responsibility and responded more effectively than they do at present.

Whether or not prostitution is the oldest profession in any market based economy — and, let us face it, all economies are market based to some extent — women have the option of selling their bodies as a marketable commodity, and we should never underestimate the importance of economics in prostitution. I shall elaborate on that because I have spent many years dealing with the issues involved when prostitutes have come before the courts.

Many attempts have been made to understand prostitution and soliciting in psychiatric and sociological terms. I am not opposed to dealing with the matter in that way, and there are psychological and sociological explanations for that type of behaviour. As I say, nobody should underestimate the economic aspects of it. Indeed, in times of slump I would expect the number of people involved in soliciting to increase.

The Minister and my hon. Friend the Member for Battersea (Mr. Dubs) were right to say that the intervention of my hon. Friend the Member for Tooting pushed up the number of police recorded incidents in that area. I have no doubt that that was the case. Nevertheless, I should be greatly surprised if a dramatic increase in the amount of soliciting did not occur in slump conditions.

A saying originated from an excellent article in *New Society* many years ago. It was that human beings were not

just chained infantile savages of psychoanalytic theory, nor brighter than average rats of learning theory, but that they were beings who responded to their social and economic environment. We must remember that that response is constantly changing because they themselves change the environment in which they live.

The important point there is that increasingly we find that women who fall on difficult economic times—for example, to meet household bills for rent, electricity and gas, especially when they are in danger of being cut off—go on to the streets to earn money to pay those bills. I have many cases that I could quote to the House of such problems.

The issue becomes particularly difficult because, if one wants to deal with the problem of prostitution, it is no good simply pushing it off the streets. It will not go away, as the hon. Member for Cheltenham said, and we have to recognise that an economic factor is involved. In a number of cases to which I could refer, when we have resolved the economic problems, the need to go out soliciting has ended. A clear economic link, as well as other factors, may be involved in individual cases.

The second part of this matter is something that is not always understood, which is that prostitution is not an offence. Soliciting is an offence, and this highlights the problem which the hon. Member for Drake has taken on board in the Bill. Given that prostitution is not an offence, it is important to recognise that the problem is the consequence of soliciting. My hon. Friend the Member for Tooting vividly described these consequences, which have affected his constituency, and the problem is particularly acute when it focuses on one area so that the problems for the local community increase. I have in mind the problems of car doors slamming, of threats, of women walking home at night being accosted and the fear that people have for their children, whether rational or irrational. All those problems arise.

My hon. Friend the Member for Tooting talked about decriminalisation, and that is an important factor. I should like the Government to concentrate on dealing with the problem of the presentation on the streets. In doing so we would deal with many of the problems about which the hon. Member for Drake is rightly concerned.

I gave evidence to the Criminal Law Revision Committee and I tried to urge it to look at this problem. I have always been troubled by our tendency to try to expand the imprint of the law. Whenever we are faced with a social problem, somehow or other we think that the answer lies in the criminal law being extended. The hon. Member for Nottingham, North (Mr. Ottaway) criticised the civil liberties groups and the National Association of Probation Officers, but I would have taken his criticisms a little better if he had given reasons for saying why they were wrong. It troubles me that he gave no reasons, because he is falling into the trap of saying that this is unpopular, therefore he does not like it and it must be banned, and civil liberties do not enter the matter. Civil liberties do come into the matter, because they are important, and to get the balance right is difficult. To dismiss them as being of no consequence is to insult not only the groups involved but the House.

Mr. Ottaway: The criticism of the National Council for Civil Liberties was made without any foundation, as was consequently recognised when the local section of the NCCL openly disagreed with the national council. There are two sides to this matter.

Mr. Soley: I recognise that there are two sides to the problem. I was asking the hon. Gentleman, when attacking such a group, at least to give reasons for doing so. The fact that there was disagreement between the groups does not trouble me. However, if we are to criticise the civil liberties lobby, we should give our reasons for doing so. Recently, it has been too easy simply to criticise the civil liberties argument. As I have said on a number of other occasions, and recently in a journal, this country has allowed its civil liberties base to be dangerously eroded. That is why I do not like that style of argument. Although this is a personal point to the hon. Member for Nottingham, North, I am not saying that he is ignorant of the problem. However, if he wants to pursue the argument, he must at least give the House reasons.

We need eventually to work out a solution to this problem by allowing prostitution to take place in a way that does not impinge on other people, and the decriminalising argument is a strong one, although I know that there are difficulties to it. When I gave evidence to the committee, I was aware that there were some weaknesses in my argument. If we decriminalise, it allows women, either individually or in groups, to work from premises, which means that they do not come into conflict with the law by advertising or soliciting. However, this does not answer one of the problems—that of a woman doing it as a short-term economic expedient.

For example, around the King's Cross are a there was recently an outbreak of soliciting. There were a number of women coming down from Birmingham on the train to King's Cross and soliciting in that area as it was comparatively easy to earn enough in one night to pay the fare home, and have some money left over to meet emergency household bills. If someone is soliciting for emergency economic reasons—to pay the rent or gas or electricity bills—she is not likely, unless she has the contacts, to set herself up in accommodation. Such women are likely to be working away from the home base because they do not want to be embarrassed by publicity in the local press. They do not want their partner or husband and children to know about it. The economic aspect spills over and affects some of the solutions to the problems.

I put it to the committee that it should have considered giving local authorities greater powers in defined ways. In the early hours of this morning, the Committee on the Local Government Bill was busy abolishing some of the powers of the GLC and the metropolitan county councils. Instead of doing that, we should be considering ways in which to extend the powers of local authorities to deal with the particular problems in their areas. I should be prepared to consider sympathetically some of the experiments that have been tried successfully in other areas where premises are licensed.

At this stage I should not be convinced by an argument for Government-sponsored licensed premises, although there may be a case for them. It would be useful to recognise that in certain areas that is a possible solution, but that it might be better for the local authority to decide whether to use that solution in its area. After all, that is the body most affected by this problem. Some local authorities in the south of England have considered this

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solution. It is interesting that it is being considered on cross-party lines. It is not predominantly a Labour solution; if anything, it is being considered more by Conservative local authorities.

Another matter that concerns me in the Bill has been raised on a number of occasions, and I hope that the hon. Member for Drake will take this on board, because it is vital. It is the victimless crime argument. It is profoundly dangerous, and one of the weakest parts of the law, that the person is brought before the court on the evidence of a police officer, without an independent witness to confirm what is alleged. This brings the law into disrepute. Time and again I have seen prostitutes in magistrates courts saying that the case had been set up. Whether or not it was, the argument is weak when nobody is prepared to say who it was who complained about the behaviour.

When I gave evidence to the Criminal Law Revision Committee, it was put to me that it would be embarrassing for a man in a public position who had to walk between groups of prostitutes soliciting in the streets to make a complaint and appear before the court. My argument is that that person, male or female, must be prepared to go before a court, or must be prepared to cope with what might be an embarrassing and difficult social circumstance, but not one in which he or she can hide from the consequences of his or her own behaviour.

Mr. Fairbairn: I have heard some astonishing things about the law of England this morning, but is the hon. Gentleman saying that in England a person can be convicted on the say-so of a policeman, without witnesses giving evidence on oath?

Mr. Soley: Yes. I have great respect for the Scottish law, having lived in Scotland for many years, and it has much to teach the English law. However, the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) must know that a prostitute can be convicted in such a way. This is the first time that I have taught a lawyer the law. A prostitute can be brought before a court for soliciting, without a witness confirming her behaviour. That has always troubled me deeply, as it has the hon. Member for Drake.

One of the clauses refers to "persistent" soliciting. The Criminal Law Revision Committee has considered the matter carefully, and it is dangerous to allow conviction without a witness. If a big police presence is in an area, people might be caught in a dragnet operation and the danger is that the problem will simply be transferred to another area. I understand that that is what happened at Nottingham and King's Cross.

There is a major problem, and the hon. Lady should be careful because she could achieve the opposite of what she has set out to achieve. We should reduce the impact of the law in certain areas and to recognise that we must step back a little and not come down too heavily on people. The hon. Lady does not propose that prison should be used as a sentence in this respect, but many people are sent to prison for the non-payment of fines. That is another worry expressed outside the House. It is extremely important that a complaint should have been made.

I emphasise the danger of trying to deal with social problems by extending the imprint of the law. Perhaps the fear of this being another sus law is exaggerated, but that danger is feared by many people. We must watch that carefully if the Bill becomes an Act. I am sure that the hon. Lady would be the first to agree that that should not happen. We shall have to monitor the matter carefully and ensure that it does not have the undesirable side effects that some people fear.

I hope that the Minister will be able to reassure us that the police will not use agents provocateurs. I am thinking about kerb crawling, male homosexuality, with which the Bill does not deal, and soliciting for male prostitutes. Incredible double standards are sometimes applied. The whole ball game is reversed. Male prostitutes are often in a worse position than female prostitutes. Entrapment is a danger. The Home Office must give clear guidance about acceptable methods of policing, because the police could easily come into disrepute. There is no advantage in the agent provocateur approach to trap either female or male prostitutes. That is profoundly dangerous and undesirable. It damages the image of the police, and we should not encourage it.

The question of attempted rape is dealt with at the end of the Bill. Rape and attempted rape are violent offences. The problem is that we have not recognised them as such and have tended to regard them as something in between. Rape and attempted rape are sexual offences, but they are acts of violence.

About three years ago a useful book was published, under the auspices of the Howard League, on the concept of dangerousness. It had some interesting things to say about how society should deal with dangerous offenders. It dealt with the dangers of double standards in penal policy. It talked about dangerous individuals and dangerous organisations which can seriously pollute the environment or risk people's lives, by avoiding safety legislation, for instance. The book also said that it was difficult to predict with certainty who would and who would not repeat an offence. Predictions by probation officers, psychiatrists, psychologists and sociologists are no better and no worse than the average insurance actuary's assessment. That does not surprise me, because our knowledge of human behaviour is very limited.

The hon. Member for Drake proposes life sentences. That allows flexibility, and I prefer that to increasing the number of years of a sentence. I agree that prison should be used for those who are dangerous and violent. Over the years we have constantly upped the pyramid of sentencing. I believe that for offences which do not involve violence or the threat of it sentences are often too long.

The deterrent factor does not make sense in terms of a sentence of five or 10 years. The average person who thinks about the consequences of his offence will not think, "I am worried about five years, but I do not like the sound of 10 years." People do not think like that. They assess the chances of being caught, and if the sentence and the public embarrassment are sufficient, they will be deterred. Research backs up that argument.

In about 70 per cent. of cases involving violence, including sexual offences such as rape and attempted rape, alcohol plays a part. Alcohol is a major factor and we ignore that at our peril.

We should attempt to reduce the maximum lengths of sentences. I agree with what the Dutch Government are doing. They have similar problems to ours and their maximum sentence is about 12 years, but the life sentence remains. The life sentence allows flexibility.

Mr. Fairbairn: In my experience, which may be modest in criminal matters, the only effect of the number of years imprisonment announced in court is that the accused will gasp if the sentence is longer than he expected and not gasp if it is shorter.

Mr. Soley: I shall not comment on that. We must recognise that rape and attempted rape are violent offences. Rape is not some minor offence. I welcome a number of the moves made by the police, but we need to go further in terms of our handling of rape cases. This point has recently been taken on board and progress is being made.

This is an important matter. I hope that the hon. Member for Drake will give careful consideration to a number of the points that have been made about the Bill. The victimless of this crime is the point that is most important to me. I hope that the Bill will have the effect that the hon. Lady intends it to have.

11.30 am

Mr. Matthew Parris (Derbyshire, West): First, I apologise to the House for the fact that if I am to be in Bakewell, where I must be, by 5.30 this evening, I may have to leave the House before the end of the debate.

It is a pleasure to follow the hon. Member for Hammersmith (Mr. Soley). I know that he has studied these matters in great depth and in a most thoughtful way for many years. He has given evidence to the Criminal Law Revision Committee. This morning the hon. Gentleman has said much of what I planned to say but some of it will, I believe, bear repetition.

May I also congratulate my hon. Friend the Member for Plymouth, Drake (Miss Fookes) upon her good fortune in being selected to present her private Member's Bill. She gave me the very greatest assistance when, together with other hon. Friends, I successfully attempted to remove the custodial sentence from the crime of prostitution. My hon. Friend was an enormous source of support at that time, so I know that in the best sense of the word she is liberal and that the Bill is presented with the highest of motives. Nevertheless, I have grave misgivings about the Bill, with which I shall deal in a little more detail in a minute or two.

First, it is worth saying that for many thousands of years women have been prepared to sell their bodies and that men have been prepared to pay for them. It is most unlikely that this or any other legislation will banish the trade. As in any other area of the market, prohibitive legislation can sometimes suppress and can always distort. It is most likely that, if this legislation is successful, it will succeed in distorting the market. In other words, it will cause prostitution to take place in ways and in places other than those where it takes place now. However, it is unlikely to banish prostitution. Indeed, that is not the purpose of my hon. Friend's Bill.

When the Criminal Law Revision Committee looked into this matter it made very much the same point:

> "However much the public may disapprove of the prostitute, the law, we think, must always remember the human nature of prostitutes. They have to have somewhere to live and if they are not to outrage decency by following their trade in public they must have somewhere to carry it on."

The problem about the Bill is that it makes it more difficult for a prostitute to carry on her trade on the street without making it any easier for her to carry on her trade elsewhere.

In its provisional recommendations, the Criminal Law Revision Committee made some helpful proposals which unfortunately have not been incorporated into this measure and upon which the Government do not envisage legislation. One of the committee's proposals was that, whereas at present if two people operate as prostitutes from single premises that will be defined as a brothel, two women, no more, might be able to operate from single premises and this would not be defined as a brothel. The nature of a prostitute's work is inherently dangerous. The committee explained that there would be security in two women working together. There would also be mutual assistance in the care and raising of children. If, in the way suggested by the Criminal Law Revision Committee, we could make it easier for prostitutes to work off the streets and if, as the hon. Member for Tooting (Mr. Cox) suggested, we allowed prostitutes to advertise in a limited way, we should be more justified in cracking down in a more draconian manner upon the kind of prostitution that takes place on the streets.

My misgiving about my hon. Friend's Bill is that it simply extracts from the proposals of the Criminal Law Revision Committee one of what might be called the illiberal suggestions without adding to it the counter-balancing liberal suggestions that the committee was also able to put forward. My hon. Friend suggested that it would be impossible for a private Member to enact through private Member's legislation a comprehensive Bill dealing with prostitution generally. I am afraid that she is absolutely right. Unfortunately, when one goes to Ministers and asks what are the prospects for a comprehensive Bill from the Government, they reply that this kind of legislation is better enacted my means of private Member's legislation and that unless a private Member is prepared to introduce such a Bill it is unlikely that the Government will find time for such legislation.

Mr. Mellor: I decided that it would be courteous to my colleagues not to intervene until all hon. Members had made their speeches, but it may be that that will deprive my hon. Friend of the pleasure of hearing what I have to say, since he will be on his way to Bakewell. Therefore, may I make the point to him that, if the ladies of Bakewell were unable to walk down Bakewell high street in the evening without being accosted from cars by gentlemen who believed that Bakewell was the red light district of Derbyshire and who therefore had come there from all over the county, I do not believe that my hon. Friend would be saying that we should wait for a general reform of the law of prostitution.

As long ago as 1976, the Home Office under the then Government, for reasons that I do not criticise, laid on one side proposals to deal specifically with the problem of kerb crawling in order to enable it to have a major investigation of the law relating to sexual offences. The recommendations relating to the law on prostitution were published only in August 1984. My hon. Friend and other hon. Members who have spoken in the debate had very clear views about what that law should be, but they would not necessarily be views that would commend themselves to every hon. Member—nor, indeed, to every group that is capable of whipping up a hum in the community about what this Government should or should not do.

Therefore, we are faced with a simple choice: either we support action to deal with a very serious problem in some areas, for which at present there is no legal redress, or we

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wait tomorrow, tomorrow and tomorrow for generalised reform. My hon. Friend can look at this problem with the cool logic that I in particular enjoy, because this problem is removed from his doorstep, but it is not removed from the doorstep of the hon. Member for Tooting (Mr. Cox). And his doorstep is not too far away from mine. That is why we made the judgment that we have.

Mr. Parris: My hon. Friend is absolutely right. A general revision of the law on prostitution could not possibly be effected through private Member's legislation. It must be effected by Government. It may take a little while until Government can bring that about. I await his assurance — and I shall be glad to sit down for a moment if my hon. Friend is able to give it to me—that the Government envisage a general review of the law on prostitution, as outlined in the recommendations of the Criminal Law Revision Committee. Does my hon. Friend wish to interrupt me?

Mr. Mellor: I am always happy to interrupt my hon. Friend. We have interrupted each other many times over the last few years. The Criminal Law Revision Committee has considered the matter and published its report. That report is being studied by the Government. The question whether it is appropriate to legislate upon it in the short, medium or long term must depend upon the response to it and upon whether or not there is a general feeling in the House and elsewhere that the proposals would be an appropriate step forward. Given that it took some nine years for those proposals to emerge—I do not criticise that, because it is an extremely difficult area—I do not believe that we shall be able to reach a view upon this matter in the short term.

If, as I have already pointed out, all hon. Members could be guaranteed to take the view that my hon. Friend takes on these matters, my life would be a good deal easier, but my hon. Friend, as an intellectually honest and rigorous person, knows full well that he represents only one wing of the argument and that there are others who would have something to say if I were to announce that the Government will legislate immediately in precisely the form that my hon. Friend would wish.

Mr. Parris: With respect, I do not agree with my hon. Friend. It did take nine years for these proposals to be formulated, but it took only nine weeks for my hon. Friend's Bill to be formulated and I believe that she will have no trouble in getting it through the House. I think, too, that my hon. Friend and his right hon. and learned Friend would have no trouble in getting a Bill through the House if it were based upon the overall proposals of the Criminal Law Revision Committee for reform of the law on prostitution. It may take my hon. Friend a few months to do that. If I was confident that he planned to do that in a few months, or if I was confident that he planned to do it in a few years, I should be happier about my hon. Friend's Bill. I believe—I am going to stick my neck out on this—that my hon. Friend and his right hon. and learned Friend have no intention of introducing into this Parliament legislation based upon the recommendations of the Criminal Law Revision Committee. That explains some of my misgivings about proceeding only upon some of the more illiberal proposals of the committee.

I do not intend to oppose the Bill; I think that I support it, especially in the light of assurances given——

Mr. Mellor *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. The Minister may be seeking to catch my eye later. I hope that he will bear in mind that he can answer some of the points then.

Mr. Mellor: I bear in mind that my hon. Friend told me that he probably would not be here at that point.

Mr. Deputy Speaker: Order. The House cannot have a debate within a debate on the assumption that an hon. Member will leave the House.

Mr. Mellor: My hon. Friend has given way to me and I shall be brief. I shall seek not to interrupt again, but the point about future changes in the law of prostitution is important.

I have been rightly reminded that I should have said earlier that, as a result of a request that I made to the committee, it expedited its consideration of prostitution in the street and published its report in August 1984. It has not concluded its consideration and published its final report on the remaining aspects of prostitution. Therefore, it comes a little hard that we should be criticised for not taking action on it.

Whether action should be taken depends on the response to the document. When it should be taken depends on the difficult consideration of the priorities of the Home Office. As my hon. Friend well knows, any number of points are floating around on which we have given commitments to legislate, such as animal experiments and criminal justice. It will be a little hard to push those on one side because of this matter.

Mr. Parris: I am grateful for your protection, Mr. Deputy Speaker, but I find it flattering——

Mr. Deputy Speaker: Order. I am seeking to protect not the hon. Gentleman, but other hon. Members are waiting to take part in the debate and those others have Bills which they hope will be brought before the House.

Mr. Parris: I find it flattering that a Minister is on the Front Bench and listening to what I say, which is not always the case.

I do not believe that the Government have any plans to legislate on this matter and I shall be surprised if there were legislation before the next general election. I rather doubt whether there will be legislation after it.

It is worth looking at the history of the Criminal Law Revision Committee's consideration of the matter. Hon. Members have implied that the Committee's recommendations were unanimous and wholehearted that it was perfectly content with them, if not enthusiastic. That is not a correct reading of the minds or deliberations of the committee's members. From the working paper which was published in 1982, I got the impression that the committee members were doubtful about the efficacy of legislation on kerb crawling and had serious misgivings about whether such legislation would be effective.

Paragraph 3.43 on page 33 of the report says:

"We all agree that the kinds of conduct to which the Policy Advisory Committee"—

that is a sort of cat's paw for the Home Secretary—

"have referred are socially undesirable and should be brought within the ambit of the criminal law if it is possible to do so without creating offences which are so difficult to prove that they are seldom, if ever, charged, or putting members of the public to the inconvenience or embarrassment of giving evidence, or extending the law too widely, or allowing police officers to give evidence about other people's reaction to a situation."

The members of the committee, rather significantly, go on to say:

"Each of the suggested offences seems to have one or more of these elements. The police, for example, would be unlikely to obtain any evidence in a case in which a man accosted a prostitute for the purposes of prostitution."

They conclude:

"Anyway, some of us are of the opinion that it would be undesirable for police officers to give evidence about the effect of an accused's conduct on a third party not called as a witness."

I gained the impression from those remarks that the committee members had been asked to frame proposals for legislation on kerb crawling and that they were in serious doubt as to whether effective proposals, which were not undesirable from the point of view of police powers, could be so framed.

I also got the impression that the Policy Advisory Committee sent them back to their books and told them to jolly well come up with proposals of one kind or another, and they jolly well have. But I do not get the impression from what they say that they are entirely happy about those proposals. I am willing to be interrupted or corrected, but perhaps it had better not be my hon. Friend the Minister.

It would be most useful at this stage to go through some of the proposals in the Bill. If the House feels that I am making points that are better made in Committee, I can only say in my defence that as presently drafted the Bill is not workable and should not go into Committee at all. The Bill could be greatly improved in Committee, and if it is it will deserve a Second and a Third Reading. Therefore, the points that I am making are not just technical or Committee points, but serious points about the mainspring of the Bill—its efficacy.

Mr. Fairbairn: Can my hon. Friend confirm or refute the allegation by my hon. Friend the Minister that in England there is no penalty for breach of the peace?

Mr. Parris: I would never refute anything said by a Minister. If that is what my hon. Friend says, it must be true. That is unsatisfactory. Perhaps we should be looking at the general law on breach of the peace rather than piecemeal legislation on sexual offences.

Clause 1 says:

"It is an offence for a man to solicit a woman for the purpose of prostitution if he does so—

(a) from a motor vehicle while it is in a street or public place; or"—

this is the point with which I want to deal at the moment—

"*(b)* in a street or public place while in the immediate vicinity of a motor vehicle that he has just got out of or off."

That will have to go. I do not know what

"in the immediate vicinity of a motor vehicle"

means. Is it 20, 50 or 100 yd? Case law will soon establish that, and people will make sure that they are at least that distance away from their motor vehicle before they solicit.

What does having

"just got out of or off"

a motor vehicle mean? Should one count to 10 before soliciting, or to 20 or 30? Again, case law will establish that and people will take care that they have not just got out of or off a vehicle and that they are not in the vicinity of it. The Bill would be stronger for the simple excision of that subsection.

Paragraph *(a)* deals with soliciting a woman

"from a motor vehicle while it is in a street or a public place".

That brings with it serious problems of evidence. From whom shall we obtain the evidence that the solicitation took place? We shall not obtain it from a prostitute; that is fairly clear. Shall we be able to obtain the evidence from an innocent woman who has been solicited in the mistaken belief that she is a prostitute? I hope, like other hon. Members, that we could, but the Criminal Law Revision Committee felt doubtful about the chances of persuading many women to come before the courts and complain that they had been accosted from a motor vehicle. I am no barrister, but they are not under-represented in this Chamber. If they turn their minds to how as defence counsel they might conduct the cross-examination of such a witness, they would see why women would soon be rather unwilling to volunteer to give evidence in such cases. I am not sure that it will be easy to persuade innocent women to give evidence and I know that it will not be possible to persuade prostitutes to give evidence.

Mr. Fairbairn: I am as terrified, Mr. Deputy Speaker, of interrupting my hon. Friend too frequently as the prospective witness is terrified. If the Government successfully introduce into England the sanity of a system of prosecution which is not engineered by police according to the legislative programme, will that prosecution system still have the same fantasy—this idea was introduced to me this morning; I did not know of it previously—of policemen acting as witnesses and telling us what the evidence of someone who has not been called would have been if he had been called?

Mr. Parris: I need not respond at this stage, because my hon. and learned Friend has outlined the underlying theme of my misgivings about the Bill as drafted.

How will we obtain evidence that someone has solicited from a car? I know that we will not obtain the evidence from the prostitute and I think that we will not obtain it from the innocent woman. The evidence could be obtained in two ways. First, decoys or agents provocateurs could be used, and that would be the easiest way of obtaining the evidence. A plain-clothes policewoman who has been solicited will have no doubt in her mind about what happened and will not show vagueness in her evidence. It will therefore be easy to persuade the court that solicitation has taken place.

There are many reasons why we do not want policewomen to be used as decoys. The Criminal Law Revision Committee believes that the practice is widespread in the United States, but the committee would not like the practice ever to become widespread in Britain. No one wants policewomen to be used as decoys in that way, but I believe that it is perhaps the only straightforward way of obtaining evidence about a person soliciting from a motor vehicle.

The second way of obtaining evidence was touched on by the hon. Member for Tooting. I agreed with much of his speech. He said that the police could observe either when in plain clothes or from a position from which they could not be seen. Observation could be kept in an area known to be frequented by prostitutes and kerb crawlers. The police could watch kerb crawlers stop and solicit a prostitute. The police evidence would be that the woman was a known prostitute, that the car had been seen to be kerb crawling and that it was an area in which this type of solicitation occurred.

I believe that many hon. Members while travelling in a town they do not know have stopped and asked directions from a woman. I usually ask women because men generally do not know where places are. Women always

[Mr. Parris]

give good directions. I have no doubt that at some stage I have asked directions of a woman who was a prostitute. That is likely to happen. It may well be that, under this legislation, a policeman will be in the area observing. He will tell the court that he had been in an area known for being frequented by prostitutes, that the woman involved was a common prostitute and that the accused slowed down, leaned out of the car window and said something to the woman. The policeman would have to say that "something" had been said because he was not close enough to overhear. Only a policewoman acting as decoy would be able to hear what was said. Obviously, the communication would cease immediately if a uniformed policeman got too close.

There is a genuine possibility that mistakes will be made. Even if we take a robust view about the likelihood of this happening, those accused under this clause will always have the defence that they were travelling slowly around the block looking for a cigarette machine that was full or for someone to give directions. Although one may be inclined not to believe that argument, it is difficult to state beyond all reasonable doubt that it is not a good defence. It will be difficult to enforce this clause, unless decoys are used.

Mr. Fairbairn: I believe that another type of evidence is infinitely more likely to be used, particularly with this extraordinary practice of using second-hand evidence given through the mouths of policemen. That other type of evidence is completely false evidence. A complaint may be made about kerb crawling in a certain area, so the problem is cleared up. How is that done? False evidence is given against half a dozen people and that evidence is reported in the press.

Mr. Parris: That point was best made by the hon. Member for Hammersmith, who said that false evidence may or may not be given. No one will ever know whether the evidence was false. There will never be enough ways of checking the veracity of the evidence. Rather than say that I believe that the police will often falsify evidence, I shall restrict myself to saying that many people will often believe that the police will falsify evidence. I do not believe that it is wise, through legislation of this type, to encourage that belief.

A woman prosecuted for soliciting must previously have been formally cautioned three times. Under this legislation, a man does not need to have kerb-crawled previously. There is no necessity to prove persistence. The man need solicit only one prostitute and he will be prosecuted. The purpose of the legislation is to restore symmetry, but I believe that this measure shows an asymmetry in dealing with the sexes.

I have said that it will be difficult to get innocent women to give evidence. The police will be able to make their evidence stick only in an area prostitutes are known to frequent and only when dealing with a known prostitute. Unfortunately, that form of nuisance is not the form that my hon. Friend the Member for Drake seeks to redress. If a man wants a prostitute, the kerb crawling will occur quickly, at no inconvenience to other members of the public. The real inconvenience arises—I believe this offends every hon. Member—when a man accosts someone who is not a prostitute. The evidence will stick only in the case of a man who has got it right.

Miss Fookes: I suggest to my hon. Friend that one of the difficulties for residents is the accumulating number of cars that kerb-crawl. That in itself provides a nuisance, whether or not the transaction between a prostitute and a man occurs quickly. My hon. Friend has overlooked that point.

Mr. Parris: I have not overlooked that issue, but I believe that it is a less important nuisance than that caused by the enormous offence of importuning a woman who does not want to be importuned. A traffic nuisance is caused, but I hope that there are already sufficient traffic laws to deal with it.

The evidential burden for the prosecution which is imposed by clause 2 is greater than that imposed by clause 1. I believe that it would be safer for a man to solicit on the street than to solicit from a car. A man need solicit only once from a car and he can be caught. The effect of the legislation—I am sure this was not the intention of my hon. Friend the Member for Drake, although it may unwittingly turn out this way—will be to drive men from their cars on to the street. It is not clear whether men accosting women on the street are a lesser public nuisance than men who solicit from their cars.

Mr. Mellor: The legislation covers the street.

Mr. Parris: The legislation certainly covers the street. On first reading of the Bill, my advice to any man wishing to solicit a prostitute is to get out of his car immediately. If he stays in his car, the police will face a lesser evidential burden. Clause 2(1) states:

> "A man commits an offence if in a street or public place he persistently solicits women (or the same woman) for the purpose of prostitution."

Other hon. Members have asked: what is persistence in this case? In the case of male importuning, which is not a happy precedent, persistence has usually been interpreted by the courts as soliciting twice or more frequently. In that case, we are not generally dealing with prostitutes. We are dealing with men trying to pick each other up, but not in return for money. For that reason, much more asking and refusing occurs.

The man who approaches a woman for the purpose of engaging her in prostitution probably approaches only one woman. As long as he has the money, the solicitation will probably cease. There may be a protracted period of haggling and negotiation, but it is a matter for lawyers and not for me whether, it having been decided that the woman will sell herself to the man, the subsequent negotiation about where and what price is a solicitation. I do not think it is. A man may spend some time in conversation with a woman and may cause quite a nuisance by doing so, but I would not call that persistent soliciting. If the Bill is enacted, this part of it will have to be explored by the courts. It is all rather uncertain.

Mr. Fairbairn: Will my hon. Friend make a distinction which seems never to be made in the House? Homosexuality, whether between women or men, is a pathological distortion whereas heterosexuality is not.

Mr. Parris: For the first time so far, I do not agree with my hon. and learned Friend. He has raised an issue that forms part of another debate and I shall return to the Bill. I think that it will be safer for both of us if I do.

There is an evidential burden on the police or prosecution in a case where a man is said persistently to

have solicited on the street. If the woman is a prostitute, I would think that there is no possibility of her giving evidence. If she is an innocent woman and not a prostitute, I suggest that her fear of being subjected to a certain form of cross-examination will cause her not to give evidence. I realise that many of my hon. Friends and Opposition Members hope that such a woman will be prepared to give evidence.

Let us consider the sort of cross-examination that an innocent woman is likely to be subjected to by counsel for the defence. It is likely pretty quickly to dissuade innocent women from making complaints and subjecting themselves to the ordeal by fire that they may well have to suffer if they choose to appear in court as witnesses. That leaves us again with the need to rely upon police evidence.

The police would have to be close before they could know that what was happening was a solicitation. There are many reasons for causing men to approach women in the street that are not solicitations. If a court is to believe on the evidence of the police officer alone that a solicitation has taken place, the officer will have to give quite detailed evidence. He or she will have to have heard what was said between the two parties. How will the officer be able to get sufficiently close to enable him or her to give that evidence, unless, again, we are talking about women police constables acting as decoys? I fear greatly that we are in danger of enacting legislation which can be enforced effectively by the police only if they act as decoys or agents provocateurs.

I have a good deal of sympathy for the police in this instance. The House dislikes the use of decoys and agents provocateurs. I dislike the practice intensely. However, if we introduce legislation that cannot be enforced in any other way, we shall be putting the police in a rather difficult position. The evidential burden will be a difficult one to sustain. There are genuine possibilities of mistake. Men may often ask women things in the street and if the encounters are observed from a distance they may appear to be solicitations, but in many instances they will not be. If a uniformed police officer observes a solicitation at a short distance from where it is taking place, the solicitation will stop. If a plain clothes officer observes a solicitation from a short distance, that will come pretty near to the officer acting as a decoy or agent provocateur.

Mr. Fairbairn: Let us say that a prostitute is stopped by a kerb crawler and he declines to pay the price that she demands. Why should she not go immediately to the police and, as an act of spite, tell them that the man is guilty of kerb crawling?

Mr. Parris: That may happen in theory, but there is an enormous natural reluctance on the part of prostitutes ever to go to the police about any issue. I may be wrong about that; it is something that I would not know very much about.

Mr. Tony Lloyd (Stretford): By the definition of the hypothetical situation that has been posed, the man in question had kerb-crawled. I accept that the thrust of the Bill is not to prevent the association of prostitutes with clients but to protect the innocent from the unwanted attention of kerb crawlers. However, we are talking about the sort of person who is prepared potentially to solicit those in our society who are not prostitutes.

Mr. Parris: I should need to give more thought to what the hon. Gentleman has said before commenting upon it. He may be right.

Clause 3 states:

"A man commits an offence if he solicits a woman for sexual purposes in a manner likely to cause her fear."

The first question that arises in my mind concerns the area in which the clause applies. Will this provision apply anywhere? Will it apply to husband and wife? Will it apply at a discotheque, a party, a pub, a club or a bar? It is always wrong to solicit women in a manner which may cause them fear, but I can think of private circumstances in which it would not be appropriate for the criminal law to be introduced. I am sure that my hon. Friend the Member for Drake does not envisage two people on a couch and at some stage one reaching for the telephone and calling the police.

I think that we shall be able to put things right in Committee. I rather doubt whether my hon. Friend means that the offence should extend beyond the streets and other public places, as well as the public transport network to which she has referred when dealing with other offences.

Clause 3 contains the phrase

"in a manner likely to cause her fear."

Why is that? The Criminal Law Revision Committee deals with this on page 14, section 47, of its report:

"We have formulated the offence as one of soliciting in *a manner likely* to cause fear because a man's liability to criminal sanctions should not depend upon any undue susceptibility to fear on the part of the woman solicited of which he was unaware."

I find that rather disingenuous. If it is desired to protect a man from the sort of woman who thinks that she has been solicited and is caused fear, although it was unreasonable for her to think so, it is possible to frame the offence in such a way as to make it clear that the man's behaviour had to be threatening, and, secondly, that the woman had to have been caused actual fear.

In those circumstances, the evidential burden would require the woman to be brought before the court to give evidence that fear had been caused. If the court decided that, though she had been caused fear, she was unreasonable to be afraid in the circumstances, the first of the two burdens would not have been satisfied. That is the burden that the man's behaviour had to be threatening. If it is said that his behaviour was not threatening, although the woman had been caused fear, he would be found not guilty.

I am afraid that the phrase

"in a manner likely to cause her fear"

has been used so that we can rely upon police evidence. The police will be able to say that the way in which the man was acting was likely to cause the woman fear. If we are not obliged to call the woman as a witness to tell the court whether she was caused fear, police evidence alone, as the clause is drafted, will be sufficient. I am worried about the creation of an offence which can be proved entirely by police evidence.

How could we call the woman to give evidence of the offence? Would an innocent woman who had been caused fear by a sexual solicitation be willing to come before the courts to give evidence? In a few circumstances she might be prepared to do so, but in most she would not.

Let us imagine that Mrs. Carter complained to the police that a man had behaved in a threateningly sexually suggestive way before her and had caused her fear. Let us imagine also that the man is prosecuted and the man's defence counsel calls Mrs. Carter to give evidence. He

[Mr. Parris]

may well ask her how she was dressed, whether she thought that she was dressed nicely on the evening in question, what she was doing on her own in a tube train carriage at that time of night, where she had been, where she was going, the name of her husband and whether her husband was away at the time.

It would be quite easy to make the woman look ridiculous and to suggest that she, by her behaviour, had in some way invited the solicitation. It would be easy for a skilled defence counsel to create that impression. I doubt very much whether the majority of women involved in such cases would be prepared to subject themselves to that form of cross-examination.

If the innocent woman will not come forward to give evidence and to subject herself to cross-examination, we will have to rely on police evidence. The easiest way of getting the necessary evidence will be to employ decoys. The details that will need to be given about the solicitation will be considerable.

If the court has to be persuaded that it was a solicitation and one likely to cause fear, that cannot easily be observed from 50 or 100 yards. It will be necessary to have heard the words spoken and seen the expressions on the faces of the people concerned. A policeman in uniform will never get that close and even a plain-clothes policeman is unlikely to be able to do so. Thus, the easiest and perhaps the only way to bring a charge will be through the use of police decoys. With great respect, it is all very well for the hon. Member for Tooting to say that he strongly opposes the use of decoys, but the legislation that he supports will be difficult to enforce in any other way. I, too, am acutely aware of that danger in the Bill as drafted.

Why do we need a special offence to deal with fear caused by sexual advances? The Minister has said that existing legislation on breaches of the peace is insufficient and he is undoubtedly right, but can we not re-examine the whole law on threatening behaviour and the causing of fear and reform it in such a way that anyone using threatening behaviour or causing fear by whatever means will be committing a criminal offence? One would then need simply to prove to the judge and jury that fear had been caused. For example, a black man on the underground may be caused fear if everyone else is white and those white people make racist remarks to him. Equally, a working miner may be caused fear if all the others present are strikers and they make remarks about scabs.

The essential element that makes the behaviour wrong is not the sexual motive but the fact that it causes fear. It has been made very clear, of course, that women on their own are susceptible to being caused fear by anything with a sexual content and that the merest hint may be sufficient to cause fear, but it is not beyond the wit of a court to take that into account and to understand that, although the suggestion was slight, its nature made it liable to cause fear. I do not see why there should be a special offence related to fear caused by sexual offences. We need a general offence relating to the causing of fear as such. If such an offence does not already exist, we should adapt the existing law to provide it.

I am not a lawyer, but I believe that these are to be summary offences and that defendants will not therefore be able to opt for trial by jury. I appreciate the reason why one does not want trial by jury in every case, but the reputation of a defendant may be very much at stake. With reference to male importuning, paragraph 3.38 of the Criminal Law Revision Committee report took the view that that offence should continue to carry the right to a trial by jury because

> "some of our number believe that there should continue to be a right to a jury because of the serious consequences that may follow from a conviction for an offence of this character."

If that is true of those charged with homosexual offences, it is surely equally true of a married man accused of kerb crawling or putting a woman in fear, so there is a strong case for the right to a trial by jury.

In response to my earlier intervention, my hon. Friend the Member for Drake was reluctant to promise that the Bill could be changed to make it impossible for a prosecution to succeed on the basis of police evidence alone, although she suggested that she was sympathetic and that the matter could be examined in Committee. I believe that she was worried that such a provision would involve a legal novelty which for general reasons of precedent would be undesirable.

There are two ways in which such a provision could be written into the legislation. First, one could make a special rule of evidence attaching to this legislation to the effect that in any prosecution evidence must be given by the woman to whom offence or annoyance was caused. There is an objection to that on grounds of precedent, because it is not usual to frame offences with special rules of evidence attached to them. Moreover, a police officer has the common law right to give evidence about the extent to which he or she was solicited or embarrassed. Specifically to debar the police and to allow evidence only from members of the public in this respect would create a worrying precedent in the eyes of the Home Office lawyers.

A second and better way to achieve the same end would be to provide that annoyance—embarrassment, fear or whatever is decided—must actually be caused, rather than merely that the behaviour in question is liable to cause it. In all three cases—kerb crawling, soliciting on the pavement or putting a woman in fear—the annoyance or fear should be proved to have been caused as well as the behaviour being such as to cause it. Two tests then have to be satisfied. First, was the member of the public unduly susceptible or was the behaviour of the accused actually likely to produce fear? Secondly, was fear actually caused? If the legislation were framed in that way, I do not think that the offence could be proved without calling the innocent importunee as a witness. If that change were made, I think that the law would be entirely fair, but it might also be unworkable. For the reasons that I have given, I believe that it will be extremely difficult ever to persuade members of the public to give evidence.

I believe, therefore, that the Bill can be changed in such a way that it will not be offensive in terms of the burden of proof but I am worried that such a change might render the legislation less effective. At present, its effectiveness depends on giving undue weight to police evidence. I do not believe that we should create further legislation of that kind. We already have enough trouble with section 32 of the Sexual Offences Act in relation to male importuning and juries are increasingly reluctant to convict on the basis of police evidence in those cases. I believe that it would be a mistake to replicate those problems in new legislation of a similar type.

12.17 pm

Mr. Tony Lloyd (Stretford): I warmly welcome the Bill introduced by the hon. Member for Plymouth, Drake (Miss Fookes). As we have heard from Members in all parts of the House, kerb crawling causes not just aggravation but genuine fear, apprehension and anxiety to many people, especially women, in inner city areas such as my own. It is clear that the hon. Lady has addressed herself to a genuine and serious problem.

Since the passing of the Street Offences Act 1959, prostitution in Manchester has moved out into the suburb of Whalley Range, with the consequent imposition of the attentions of kerb crawlers on innocent people. The object of the Bill is not to control prostitution as such, but to deal with the problems associated with kerb crawling. For that reason I warmly welcome the hon. Lady's initiative, although, like other hon. Members, I wish to express certain reservations.

I have some sympathy for the earlier remarks of the hon. Member for Derbyshire, West (Mr. Parris). He spoke of the need for a more general view of prostitution in society, bearing in mind the recommendations of the Criminal Law Revision Committee. So far the remarks of the Minister have been somewhat disappointing, and I look forward to his concluding speech.

Society accepts that prostitution itself is not illegal, but we also accept that prostitution and associated matters can cause problems. It is the problems associated with prostitution that we wish to regulate, in the interests of members of the community not directly involved in prostitution. Within that context, as I think the hon. Member for Derbyshire, West would agree, I am sure that we can go a considerable way towards alleviating the problem of kerb crawling.

I should have welcomed a stronger line on Government policy from the Minister. The issue is difficult and controversial, but that is no reason for failing to take action. We will never achieve a consensus on difficult problems, which clearly divide people on emotive as well as intellectual grounds.

My hon. Friend the Member for Hammersmith (Mr. Soley) may not agree with all that I say. However, I agree with his view that even if we reform both the legal structure and our social attitudes towards prostitution—allowing, for example, some form of advertising, or allowing locations to be established which prostitutes could use without automatically breaking the law—there would still be the problem of prostitutes being driven on to the streets for economic reasons, and therefore the problem of kerb crawling would remain.

The comments of the hon. Member for Derbyshire, West were somewhat absolutist. I have considerable sympathy for his call for a broad revision of the law, but to prove that kerb crawling in isolation is a difficult problem is not enough. I agreed with the hon. Gentleman's comments about the difficulty of maintaining a balance between the rights of the accused and the rights of those upon whom the unwanted attentions of the kerb crawlers are forced.

I find nothing especially objectionable in the criminalisation of the kerb crawler. Criminalisation per se is simply a recognition of the lack of symmetry in the current law. Soliciting is a criminal offence, but seeking out prostitutes is not. The two acts should perhaps be brought into line. Being found guilty of kerb crawling—being branded as a kerb crawler — would have tremendous implications for the person concerned. Clearly, therefore, the test that we establish must be acceptable and sufficient, given the strength of the public opprobium that would fall upon anyone found guilty of such an offence.

I share the views of those hon. Members who have suggested that the idea of victimless crime is not satisfactory. We should stipulate that those affected must be able and willing to substantiate the charge. I accept that that would cause real problems. Such a stipulation would mean that in many cases it would be impossible to sustain a charge, without trying to bend the rules of evidence, against someone who was guilty of the crime. That is the price that we would have to pay for protecting the innocent; for protecting those who might, for instance, be subject to blackmail.

I recognise the difficulties outlined by the hon. Member for Derbyshire, West. However, the problems connected with kerb crawling would be akin to some extent to those involved in trials for rape. The pressures put upon the main witness would be similar to those suffered by the main witness in a rape case. There would be the same unhappy and perhaps even malicious attempts to blacken the character of the witness. That is a problem that I do not take lightly. It is at no small cost that we insist that a woman should stand up in the witness box and talk about being solicited by a kerb crawler. However, we accept the necessity for that in the case of rape because rape is, by any stretch of the imagination, a very serious charge. To be found guilty of kerb crawling would also be a serious matter, and we must therefore accept that the test of evidence should be sufficiently strong and that the complainant should have to appear in court.

There is some strength of feeling on that issue even among those who warmly applaud the intentions of the hon. Member for Drake. I applaud the Bill on behalf of my constituents, and especially the women in the area of my constituency where the problem is at its worst. For too long people have felt that Parliament was not prepared to grasp the nettle. In bringing the Bill forward the hon. Lady is addressing a real problem. With the reservations that I have expressed, I wish the Bill all speed.

12.26 pm

Mr. Christopher Chope (Southampton, Itchen): I welcome the opportunity to participate in the debate. When I was the leader of Wandsworth borough council, I was very familiar with the problems at Bedford hill, so vividly described by the hon. Member for Tooting (Mr. Cox). However, the problems in Southampton are probably even more acute. I am therefore delighted that my hon. Friend the Member for Plymouth, Drake (Miss Fookes) has been successful in the ballot. I thank her for the good turn that she has done my constituents by choosing this subject for her Bill.

It is also fair to thank my hon. Friend the Parliamentary Under-Secretary of State for his success in persuading the Criminal Law Revision Committee to publish its report on prostitution on the streets sooner than was originally intended.

Having heard the eloquent speech of my hon. Friend the Member for Derbyshire, West (Mr. Parris), I hope that he will think it worth his while to come to see the problem on the ground in Southampton. A real problem exists, and we, as legislators, must try to solve it.

Mr. Parris: I live no more than three quarters of a mile from the area in Wandsworth which the hon. Member for Tooting (Mr. Cox) mentioned. I shall not give the name of the street, as I do not want to give it any extra publicity. I fully understand the problems and do not underestimate them.

Mr. Chope: I am interested to learn that my hon. Friend has knowledge of these matters. I am therefore all the more disappointed that his speech was so negative. I had hoped that there would be unanimity on the intentions behind the Bill.

I regret that we are embarking on piecemeal legislation. Kerb crawling is a serious problem in Southampton and causes public nuisance. The same is true of the practice of using good residential accommodation as a prostitute's shop. In the windows of such houses are illuminated red signs which are offensive to passers-by and lower the tone of an otherwise pleasant neighbourhood. In one part of my constituency there are about 30 houses which are used solely for prostitution. Hanging outside them are signs saying, "Model", "Nude Model" and "Young Model". I have yet to see a sign that says, "Used Model", but no doubt that time will come. It is a pity that the Bill does not meet the mischief that I have described.

An owner-occupier can find that the house next door is sold and turned into a prostitute's shop. If it were turned into a greengrocer's shop, or a take-away shop, he could get help from the local planning authority, but Southampton city council takes the view that a change of use to a prostitute's shop is not covered by planning legislation, so enforcement proceedings are not possible.

I understand that the Bill cannot go too wide in order to ensure that it reaches the statute book with the least possible difficulty, but I envisage an increasing number of houses being bought and converted into prostitutes' shops after it has been enacted. Such properties are not brothels, because the courts have held that two or more women must practice prostitution in one premise for it to be a brothel. It is not an offence for a landlord to let premises to a prostitute.

To describe the extent of the problem, I should like to quote from a letter. Unfortunately, it was sent anonymously, but it sets the problem out clearly. It reads:

"My son bought a house and spent a great deal of money on it, only to have a prostitute move in next door to him. The man who bought the house obviously bought it for prostitution. Men called there during the day and night with CB aerials on their cars. Constant noisy knocking on the door, noisy car doors banging, wild noisy parties going on until 3 and 4 o'clock in the morning, video shows to youths, but worst of all her pimps and gangsters were the biggest nuisance. After my son complained he was constantly followed by these men. CBs are a nuisance with these men and girls. My son was threatened and had unpleasant things done about their home. My poor grandchildren wondered what it was all about. The people moved out the other side. I have begged my son to move for his wife and children's sake. How can he cope with six pimps?"

The writer then appeals to me as her local Member of Parliament to try to change the law.

An excellent housing association operates in the part of Southampton to which I have referred and in which there is much urban renewal, but the association receives letters from tenants such as this:

"My reason for wanting to move out of my present accommodation. I have had men ringing my door bell in the early hours of the morning."

That is another problem that is not addressed by the Bill.

A resident complained to me of being threatened because he parks his car outside a house where one of the model signs hangs. He has been threatened because his car obscures the advertisement from passers-by and therefore interferes with business. He would desperately like to sell his house, but its value has declined because of the activities that I have described.

Mr. Fairbairn: In any of these cases, have the people complained to the police and have prosecutions been brought, because it is perfectly obvious that common law criminal offences were committed?

Mr. Chope: Almost invariably complaints are made to the police, but I am told by the police that it is difficult to produce enough evidence to secure conviction. The police in Southampton say that one of their biggest disappointments is that, even when they successfully prosecute the people who are behind the vice business, the fines are derisory and the sentences of imprisonment, if there are any, are for only a few months. Such sentences do not reflect the gravity of the offences.

That brings me to the issue of the deterrent effect of prison sentences for soliciting. I disagree with my hon. Friend the Member for Drake and other hon. Members who have said that they welcomed the decision to remove imprisonment as a penalty for those who solicit as prostitutes. The Criminal Law Revision Committee report provides telling evidence on page 6. It states that in 1983 there were about 10,000 convictions for loitering and soliciting. The committee expects the figure to be even higher for 1984. I do not know whether it was, possibly because of the impact of the miners' strike. Before the penalty of imprisonment was removed, the figure for the years 1975 to 1981 was always between 3,000 and 4,200. Therefore, there have been at least twice as many convictions for loitering or soliciting since the penalty of imprisonment was removed.

The figures for Southampton reflect the national picture. In 1984 there were 143 charges for soliciting and 74 cautions. In 1978 there were only 17 charges and 29 cautions. In 1982, the last year before the penalty of imprisonment was removed, there were 39 charges and 54 cautions.

Mr. Parris: Is my hon. Friend aware that there was a similar increase in prosecutions for male importuning, but that the imprisonment penalty remains available to the courts?

Mr. Chope: I cannot comment on that point, but I hear and note what my hon. Friend says.

My submission is that the removal of the penalty of imprisonment for soliciting by prostitutes has resulted in an increase in the practice. That is supported in a letter that I received from the chief constable of Hampshire, dated 16 December 1983. He said:

"We shall continue to police the area closely with a view to the reduction of prostitution there. It has to be recognised, however, that substantial relief for those who are offended and inconvenienced must await the revision of section 71 of the 1982 Criminal Justice Act."

I hope, therefore, that the Government will reconsider the wisdom of removing the penalty of imprisonment.

Southampton county council has written to my right hon. and learned Friend the Home Secretary about that and asked for the reinstatement of the sanction of imprisonment. There is overwhelming evidence that that

would help to solve the problem to a great extent. Even if the Home Secretary is not prepared to reintroduce that penalty, I hope that he will use the opportunity presented by today's debate to advise magistrates that average fines, which are between £25 and £100, are derisory for the offence of soliciting. Even penalties imposed for living off immoral earnings seem low. Substantial imprisonment should be the norm when the vice barons are eventually brought before the courts.

The local newspaper, the *Southern Evening Echo*, this week produced an informative and excellent piece of journalism. From talking to prostitutes it found that, on average, each prostitute working during the day could have seven clients, at £10 a time. That is £70 a day, leaving aside income that can be earned in the evenings and at night. Obviously, when prostitutes are prosecuted, a fine of £50 or so is little more than a licence fee. I hope, therefore, that the Government will have second thoughts about penalties.

I have little doubt that the Bill when passed into law will ameliorate the problem of street prostitution, but I do not believe that it will solve it. The wise punter, as he is called, will abandon his car, go on foot, and wait to be solicited rather than do the soliciting. It is clear from clause 2 that it will be necessary to prove that someone has persistently solicited on foot before he can be brought before the courts. For the person who leaves his car in another area, walks for five or 10 minutes and sees the call girls standing on the corners, one transaction will not result in his being brought before the courts. The police find it almost impossible to prosecute most call girls because, to use their words, they can be recognised at a distance of 100 yards and do not get anywhere near seeing what happens when the offence is committed. Paragraph 44 of the report by the Criminal Law Revision Committee states that it would not be appropriate to convict men for only one act of soliciting on the footway.

As a result of the pressure that will be created by the Bill, more prostitutes will be forced into taking accommodation and erecting advertising signs outside. I have little doubt that the Bill will deter kerb crawlers in cars, but I am a little worried about having sufficient safeguards for the innocent. None of us should forget, in the emotion of the moment, the need to protect the innocent from mistaken charges. In this area, wrongful conviction is not the mischief; the mere charging, being brought before the courts, and having one's name and address published in the local newspaper could ruin many a career or marriage. Much public humiliation can be caused just by a charge being made. We must be sure that the legislation contains adequate safeguards for the innocent.

I am thinking especially of the calculating prostitute who summons a passing motorist, who is then arrested by a policeman. The prostitute will not stay to say, "I will give evidence on your behalf," and the policeman will not know whether the transaction was initiated by the motorist or by the prostitute. That could lead to innocent people being brought before the courts.

The police support the view that prostitutes are calculating and cunning people. Inspector Openshawe of Southampton said recently:

"The men cruise around looking for the model signs, but are bread and butter for the girls who stand on the street corners."

What happens is that those who are not lucky enough to have a residential base from which to operate their business try to intercept passing motorists who are looking for the model signs. That officer believes that stopping kerb crawling will put part-time prostitutes out of business, but will not solve the basic problem.

The Criminal Law Revision Committee believes, in relation to clause 1, that it should be necessary for the victim—the woman who is solicited by the man—to give evidence in court. I can see the practical reasons for that. Any legislation in this area must balance the public nuisance against the need to ensure that charges are brought clearly.

Anything would be better than the situation that has existed recently in Nottingham, where policewomen have been posing as prostitutes and trapping men, who have later appeared before the courts for alleged breaches of the peace. That type of entrapment is unsatisfactory and I hope that it will not be considered a necessary ingredient in the enforcement of this Bill.

Points of criticism about the Bill are best made in Committee and I shall not voice them now. I share the concern of my hon. Friend the Member for Derbyshire, West about clause 1(1)*(b)* and I, too, wonder whether it will improve matters. Its drafting leaves much to be desired. I am reminded of a pop song entitled, "Get off of my cloud". The provision could, perhaps, be better expressed.

Clause 3, by being drawn so widely as to include soliciting

"in a manner likely to cause her fear"

in a public and private place, is going unnecessarily far. The Bill is designed to deal with a public nuisance. It would be unfortunate to extend the law as it relates to indecent assault in the way suggested, and the implications of the clause do not appear to have been fully considered.

Mr. Fairbairn: If my hon. Friend asked a girl, "Will you sleep with me?", does he think that those words would be covered by that provision?

Mr. Chope: I look forward to my hon. and learned Friend asking that question when he speaks in the debate.

The *Southern Evening Echo* this week concluded that the saddest irony about trying to improve the position of the area in Southampton with which I am concerned is that virtually all its problems have been increased by well-intentioned efforts to solve them.

I support the Bill, because it is well intentioned, and in the earnest hope that it will help to reduce the public nuisance with which it is intended to deal. However, I urge the Government not to be slow to introduce their own legislation to deal with the problem of advertising and the use of residential accommodation by prostitutes if the expected result of this legislation is that the girls simply go off the streets and place advertisements in otherwise pleasant neighbourhoods.

I hope that the Bill will receive support from hon. Members on both sides, because its shortcomings, which are few, can be remedied in Committee.

12.48 pm

Mr. Ernie Roberts (Hackney, North and Stoke Newington): I, too, compliment the hon. Member for Plymouth, Drake (Miss Fookes) on having introduced the Bill as a result of her name being selected in the ballot. I had my name drawn in the ballot and was immediately

[Mr. Ernie Roberts]

solicited by Wandsworth borough council to introduce a Bill on kerb crawling and prostitution. The council wrote me a lengthy letter in which it said:

"The police do what they can to try and reduce the nuisance and . . . they have each month for some considerable time been prosecuting up to 60 to 70 women for soliciting for prostitution. It is generally accepted, however, that as a long-term solution this action is not the answer and that to really have any measure of success the drivers of the cars who are looking for prostitutes must be dissuaded from doing so."

The House already knows this, but I wish to draw attention to the fact that people selling their bodies is not the only kind of prostitution with which society is plagued. People sell both their brains and their principles, often for immoral purposes, and sometimes that can do more harm to society than prostitution does.

The Bill tries to deal with the problem of kerb crawling and prostitution, a problem that is prevalent in my constituency. I have had many meetings with residents for over a number of years about the problems in the Brownswood, Finsbury park and Manor house areas. We have taken action to try to prevent the problem, but that action has caused a great nuisance. We have put gates across the roads to stop kerb crawling. We do it to one road, which stops the kerb crawling there, but then there is a demand from the next road, and so it goes on. We continually push the kerb crawling out, but we do not get rid of it. Therefore, the problem has not been reduced.

Mothers and young women have complained to me about the insulting attitudes of motorists driving along soliciting them in the areas that I have mentioned. Every day, and particularly at night, these women go about with the ever-present fear of attack. I know that the chief of police for Stoke Newington and a colleague of his are here listening to the debate because of the seriousness of the problem in that part of London.

Recently, there has been a heavy police presence in the areas that I have mentioned, resulting in many more prosecutions, but the problem still exists. Only last night, a deputation of young women came to see me and urged me to speak out on the problem of kerb crawling and soliciting by motorists. I am in favour of some legislation to deal with the problem, but I know that many of the women who are involved in prostitution are driven on to the streets to get money because of unemployment and poverty. When unemployment increases, as it has done, prostitution increases. It is no coincidence that we are discussing this problem at a time of mass unemployment. I ask the Government to look at this aspect of the problem and take steps to alleviate unemployment, which drives women on to the streets to get a living.

Some dangers are inherent in the Bill. I have certain doubts about the Bill, and the hon. Member for Derbyshire, West (Mr. Parris) has already set out some of those doubts, although I do not agree with all that he said when he was endeavouring to pick holes in the Bill. I do not want the innocent to suffer as a result of the Bill becoming law, and I am sure that the hon. Member for Drake does not either.

The Prevention of Terrorism Act also affects my constituency. Altogether, in various parts of Britain and Ireland 6,000 people have been picked up under the provisions of that Act. Only 2·5 per cent. of the cases resulted in prosecution. That means that almost 98 per cent. of the people who were picked were not charged. We must not rest on police evidence alone. There must be a victim and corroborative evidence to sustain a conviction.

The Stoke Newington police and Labour Members representing the London area will understand why I do not want the Bill to result in another sus operation. Sufficient aggravation has already been caused in Hackney by people being picked up under the sus law. However, action must be taken to stop kerb crawling which causes so much aggravation and fear among women in my constituency.

12.56 pm

Mr. Nicholas Fairbairn (Perth and Kinross): As a Scotsman whose constituents will not be affected by the Bill, I advance with caution and modesty into the chilly waters of the law of England, but with more bravery and courage having heard some of the abominable contradictions in the law of natural justice which I could not believe were characteristics of the law of England until they were confirmed by so honourable a source as the Minister himself.

My remarks about the Bill will perhaps be strident, but I pay tribute to the motive of my hon. Friend the Member for Plymouth, Drake (Miss Fookes), to her crusade and to the civilised way in which she has always treated matters criminal.

I find it extraordinary that the common law of England is such that the charge of breach of the peace at common law is not punishable by sentence other than some adulatory absurdity like, "Be good for all time coming."

I am a lawyer. The difference between the law of Scotland and that of England is that we act on principle and the law of England acts on precedent — a bad precedent and a worse principle. As a lawyer I have always taken the view that the grandeur of the common law and particularly of the criminal common law is that it is adaptable to any occasion or incidence and any rise or fall of an irritance which gives threat to the safety of the public.

A good example of that is the fact that in Scotland we have no difficulty in adapting the common law of assault to the current evil of glue sniffing, whereas in England it has to be made a statutory offence. I foresee that that will give great joy to those instructed for the defence and have little effect on those instructed for the prosecution. I do not wish to be too pessimistic about that. Any criminal offence which we attempt to enshrine in statute is infinitely more likely to be defeated in its operation than any common law offence.

I speak not only from ignorance of the law of England but from compulsory ignorance of the law of England. Although a Frenchman, a Dutchman, a Belgian, a Greek and shortly a Spaniard and a Portuguese who do not speak a word of English can appear in the courts of England, I cannot. As a Scotsman I am forbidden and banished from the audience of England's courts. It is an astonishing proposition. Nevertheless, it is true. Therefore, my compulsory ignorance of the law of England has today received a number of shocks which I am sure would have shocked the civilised mind of the right hon. Member for Morley and Leeds, South (Mr. Rees), a former Home Secretary, who has joined us.

I did not know that it was not possible under the law of England to punish the offence of breach of the peace. Under the law of Scotland, a breach of the peace can go from the most trivial to the most serious matter, although

it would probably be charged as something more serious, and under the common law the sentence could be anything from nothing to life imprisonment. Similarly, the matters we are considering today could be charged as assault or malicious mischief. If one goes up to a woman and pesters her, and it is held that one did, and if the concept of criminal intention, which we call mens rea, is established, one would be guilty of the offence, under the law of Scotland, of a breach of the peace, or of malicious mischief or of assault. For instance, if one went up to a woman in the street and said, "By the way, ducksie, do you ever wash?" that would be a criminal offence under the common law—far less than, "By the ducksie, will you sleep with me?"

I find it astonishing that the common law of England cannot deal with this form of assault—because it is an assault. One does not have to hit somebody, or make to hit somebody. Just to put one's tongue out at somebody is an assault under the law. If it is not an assault under the law of England, perhaps the Minister, who is qualified to do so, will tell me. I should have thought that any assault — kerb crawling or asking somebody who is not a prostitute to sleep with you is certainly an assault—was covered by the ordinary law of England and accordingly could be punished by the law of England. My hon. Friend the Member for Derbyshire, West (Mr. Parris), in a most cogent, intelligent and well-argued speech that was remarkable for somebody who protested that he was not a lawyer, correctly pointed out the difficulties of every section of this complicated statute which attempts to smother the irritation, however major it may be in some places, of kerb crawling. It seems to me to be a very dangerous precedent. Fortunately, we do not have kerb crawling in Perthshire. Frequently we do not even have kerbs, far less kerb crawlers.

The point which my hon. Friend the Member for Derbyshire, West attempted to make, although he drew back, frank though he was, from the absolute truthfulness of saying so, is that in this country we are schizophrenic about prostitution. I have never been there, but I assume there is no kerb crawling in Bangkok. There is certainly no kerb crawling in Amsterdam, or even canal crawling. That is because they are not dishonest about prostitution. We in this country half pretend that it is wrong and half pretend that it is acceptable. For fear of the women's righteousness, of society, or of something of that kind, no Government dare to say, "If it is going to exist, and it will exist, let us try to civilise it."

The Minister gave abstruse and lengthy reasons about how long it would take to read the report. I presume that the Government cannot read a report which took me less than an hour. Why will it take the Government months or years to read it? The reason is not that, but that we fear the moral backlash, if there is to be prostitution, of trying to make it something which is not a nuisance to others. That is the nub of the truth. I notice that my hon. Friend the Minister has risen neither to confirm nor to deny it, so I take it that he has confirmed it by his silence.

Mr. Mellor: That is not a very good legal principle.

Mr. Fairbairn: It is not a very good legal principle, but——

Mr. Mellor: I was trying to behave myself in the interest of keeping Mr. Deputy Speaker happy. It is not a very good legal principle, and not one that the law of Scotland embraces, that silence implies any condition. But the moment is shortly to arrive when, if I am fortunate enough to catch your eye, Mr. Deputy Speaker, I shall reply to the debate and I shall deal with that point then.

Mr. Fairbairn: I know that my hon. Friend finds it difficult to behave and I am glad that he is trying to do so for a change. I am glad that your authority, Mr. Deputy Speaker, has invoked that departure from his natural deliquency. While it may not be a good legal principle, it is perfectly obvious to me as a lawyer that that is the correct inference from his silence, and not that he was terrified that the headmaster would scold him again.

There is a legal principle of the presumption of innocence but in one way it is an extraordinary principle. Indeed, the right to silence is as odd. One says, "I presume that you are innocent and therefore I am charging you with the murder of your mother. I shall stick you in the dock with armed policemen" — truncheoned policemen in Scotland—"on either side of you to demonstrate that I presume that you did not do it". The presumption of innocence, which is a fiction of the law, is meant to apply to the jury only, not to anyone else. That is why the hon. Member for Hackney, North and Stoke Newington (Mr. Roberts) was right to say that a charge gives rise in the public mind to a presumption of guilt, regardless of the eventual verdict.

Equally, the right to silence, which is what the Minister raised, is an oddity. The reason for the right to silence, in England as well as in Scotland, is, to put it briefly, that until the 1890s the accused was not allowed to give evidence. Therefore, he was advised that, since anything that he said could not be corrected, denied, altered or explained, he would be sensible to say nothing lest it be misunderstood.

The classic example is of F. E. Smith, defending a woman who had been charged with infanticide, who was said by a witness to have said to the police, "How can I kill my baby?" That was important evidence for the prosecution until F. E. Smith said, "Are you sure that she did not say, 'How can I kill my baby?'?" Those were the same words with a different interpretation; indeed, the opposite.

The reason for the right of silence was forgotten about after the statutes in Scotland and England in 1889 and 1891. It is an oddity of the law and a madness that a person is told, "We believe that you are the person who murdered Mrs. Snooks. We believe that you are the one person who is able to tell us everything about it and you are the one person who we say need not tell us anything about it." The right of silence is not a protection when the accused is allowed to give evidence, but was a necessary protection before he was permitted to do so.

Therefore, I do not accept the concept from a lawyer that silence is indicative of guilt. Indeed, the Criminal Justice (Scotland) Act, which I had the honour of introducing into Scotland in 1980, provides that if a person does not put forward a defence at the time of his initial examination which he puts forward thereafter, there can be an inference that the defence is flawed. In other words, silence does have an inference. I should have thought that that was a sensible provision of the law.

Being limited in intention, the Bill would be infinitely more likely to aggravate the general problem which concerns my hon. Friend the Member for Drake. I shall not repeat the argument of my hon. Friend the Member for

[Mr. Fairbairn]

Derbyshire, West, except to say that I believe it is extremely unlikely that one could persuade an innocent woman to come forward to say that she had been mistaken for a prostitute. It would also be extremely unlikely for a prostitute to come forward saying that she had been rightly thought to be a prostitute.

This brings me back to the concept that I did not know existed in the laws of any civilised land. In Scotland, there is a rule of evidence which states that hearsay evidence is inadmissible. Many of us mishear, misinterpret, misrecollect or misunderstand what another person said or what that person had in mind when he said it. Tests have been conducted, including on television, to examine this aspect. One could ask a Minister on one end of the Front Bench to pass the message, "The parcel will be here by Christmas." By the time the message reaches the Minister at the other end of the Front Bench the message is probably, "I wonder if you want turkeys to listen to." People misinterpret and alter evidence, although not deliberately. That is why their evidence is disallowed.

I am bound to say, as a lawyer and jurisprudent, that I am horrified that in England two policemen can tell the court what someone would have said if he had been called to give evidence. I trust that that provision will be removed from the law of England. I hope it is not proposed to convict a kerb crawler on the basis of a policeman's evidence that a woman told him that the man was kerb crawling. The policeman does not even need to meet that woman. The policeman can simply say, "Mrs. White came up to me and told me that so-and-so kerb-crawled." That seems to be a good way for a policeman to get rid of a public nuisance. He may say, "I shall tell you what we shall do. We shall do him for kerb crawling on our say-so."

If that is the law of England, I trust that the Government, in their new legislation to introduce the independent prosecution system which we enjoy in Scotland, will include a clause to remove that offensive provision. That evidence is not even hearsay; it is soothsay. It is mystery evidence. I was horrified to learn that the Bill will enable a person to be convicted of an offence and cause the greatest possible harm on the say-so of witnesses who are not "witnesses" in the proper sense of the word.

The meticulousness of the language is another issue that concerns me. According to clause 3, it is an offence for a man to solicit a woman for the purpose of prostitution. It is not, however, an offence for a woman to solicit a man. It is an offence if a man solicits from a motor vehicle in a street or public place. Complicated though that is, it is possibly comprehensible. Clause 1(1)*(b)* refers to a man soliciting

"while in the immediate vicinity of a motor vehicle that he has just got out of or off."

I do not know of many people who get off motor vehicles, but I suppose that one gets off a bus. So that is fair enough: if I get out of my motor vehicle and go up to speak to a prostitute I commit a criminal offence.

That is extraordinary. I have no particular desire to get out of my motor car to speak to a prostitute because that is not a habit or recreation that is particularly attractive to me. Oddly enough, if a man goes up to a girl whom he believes is anxious for someone to sleep with her and asks whether she is willing to sleep with him, he is committing a criminal offence if he has just got out of a motor car. However, it is not a criminal offence if the individual has not got out of his motor car. It is all right if he has just dropped in by parachute, come out of a drain or walked out of his house. That is all right, but he will be branded a naughty boy if he has just got out of his motor car. My goodness me, that is a naughty thing to do! That is the absurdity of the Bill. I wish to make it clear to my hon. Friend the Member for Drake that I am mocking statute law as a whole and not her. It is almost impossible to make criminal offences, especially trivial ones of the sort with which we are dealing, sensible in statute.

Clause 3 leads me to thank god that I am not English. The clause makes it an offence if a man solicits a woman for sexual purposes

"in a manner likely to cause her fear."

I must tell my hon. Friend the Member for Drake that I have always been attracted to her. I have never actually dared ask her whether she would go to to bed with me, but after the introduction of the Bill I must ask myself how I am to put it so that it does not cause her fear.

When I was the Solicitor-General for Scotland in the palace of Holyrood house, I was in charge of events, as historically the Solicitor-General for Scotland is, and in attendance on the Prime Minister who was a guest of the Lord High Commissioner of the Church of Scotland, who stands in for the Queen. The Solicitor-General for Scotland has to be there in his shadow because a previous Lord High Commissioner tried to close down the Church of Scotland. I can see good reason to close down the Church of England, but that is another matter.

A gentleman who for reasons of chivalry I shall not mention but who occupied grand office and who had taken grandly of wine and allowed veritas to overcome him went up to the Prime Minister and in words which I shall not use told her that he had always fancied her, to which the Prime Minister replied, "Quite right. You have very good taste, but I just don't think you would make it at the moment." Would that have been an offence under clause 3? The answer is that it would. Therefore, I regard clause 3 as obnoxious in any possible character. It makes every advance of a man towards a woman a potential criminal offence. For example, let us suppose that a man marries a girl and on the night of their honeymoon says, "What about going up to the bedroom?" If she shrinks back and asks, "What do you mean?", the result would be an offence under clause 3.

Similarly, to make it an offence under clause 2 persistently to solicit a woman or women

"for the purposes of prostitution"

has the ring of schizophrenia. Apparently, we are allowed to have prostitutes, but we are not allowed to ask them if they would be willing to act as prostitutes. Therefore, I find clause 2 to embody a most extraordinary concept.

I hope that I shall not pass through the thin legal skin on evidential matters of my hon. Friend the Under-Secretary of State for the Home Department in referring to his silence. Am I right to understand that a crime of sodomy or buggery committed with a woman or a girl is not an offence known to the law of England? If it is an offence known to the law of England, why cannot it be charged as such? Why must it be dealt with as a charge of indecent assault? In Scotland, there is a range of common law sexual offences including indecent assault, lewd and libidinous practices, attempted rape and many others. I do not believe that it can be proved that if a man were to have anal intercourse with a girl of 13 he would

not be charged with serious assault and sodomy. If that is the law in England, the Bill does nothing to relieve it. If it is not, I find it impossible to conceive what the law of England is.

I strongly oppose fixed penalties, except perhaps for parking offences and the like, or terminal penalties. If the Poisons Act, say, provides a maximum penalty of 14 years imprisonment, is the judge to conclude that if the case involves half a poison the offence merits seven years? It is a bad principle and in my experience has no effect on offenders. When the judge says, "I therefore sentence you to . . .", hesitates, coughs and finally comes out with the number of years, the defendant may get a shock, but that is the end of the matter.

If my hon. Friend the Member for Drake believes that people who commit minor sexual offences will be deterred by terrible penalties, I remind her of the Straffen case in England. Instead of being hanged for raping little children, the defendant was found insane and sent to Broadmoor. He then escaped and thereafter was declared sane on the basis that within 20 minutes of getting out he raped the first little child that he found. There was not much deterrent effect on him and I doubt whether there would be on anyone else.

I object strongly to the idea that so-called attempted rape should suddenly become liable to a sentence of life imprisonment. In Scotland, a sentence of up to life imprisonment is possible for any common law offence. If that is what the English want, they have only to reform their law in that way. A case has come into my hands just this week. I shall not go into details as it is sub judice and I have yet to defend the unfortunate gentleman concerned. It concerns a prostitute who had slept regularly over the years with a citizen whose respectability would allow him to sit in the civil servants box or even in your Chair, Mr. Deputy Speaker. That man, without a smut on his reputation, has been charged with attempted rape by a woman with whom he has slept on and off for years. I believe that all criminal offences should be judged and sentenced on the facts and not on the basis of imaginary concepts framed in statute.

For all those reasons, although I applaud the purpose of my hon. Friend the Member for Drake, I believe that the method that she has chosen is so deficient as to be not just inequitable but positively bad.

1.23 pm

Mr. Roger King (Birmingham, Northfield): One of the challenges facing Members who wish to speak on subjects of this nature is that when one arrives one has a clear idea of what one wishes to say, but after more than three hours of debate one's views may have changed. Hon. Members on both sides have expressed their views on the Bill and I, too, congratulate my hon. Friend the Member for Plymouth, Drake (Miss Fookes) on introducing it. English and Welsh Members have had the benefit of the views of my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) on Scottish law, although one cannot but wonder how a Scottish debating Chamber would receive an Englishman or a Welshman telling it how things are done in England and Wales. However, at least we can exchange ideas.

Mr. Fairbairn: I take my precedent from the right hon. Member for South Down (Mr. Powell), who never stops telling us what should happen outside Ireland.

Mr. King: Prostitution has been called the oldest profession in the world. In a college debate in which I took part many years ago, somebody suggested that salesmanship deserved that title, and someone else suggested marketing, because the prostitute, as well as selling herself, has to define her client and the place where she intends to carry on her trade. However, prostitution is certainly among the oldest professions. It is a cause for serious concern in many inner cities, especially in London and Southampton. In Southampton, a ferry port, the phenomenon is perhaps best described, not as kerb crawling but as roll-on—roll-off.

In Birmingham, kerb crawling has reached epidemic proportions and we cannot wait much longer for legislation to control it. I have here a letter from the St. Paul's Community Project in Balsall Heath, which is one of the worst afflicted areas. The letter was sent to Wandsworth borough council in reply to the council's request for details of prostitution and kerb crawling in Birmingham. According to the letter,

> "The number of kerb-crawlers in the area"

is now very much greater than it has been.

> "Our calculations suggest that some 900 per day circulate our area."

Every day, some 900 cars circulate in an area half a mile square, driven by gentlemen looking for prostitutes. The letter continues:

> "Kerb-crawlers accost residents, young and old, as they seem to feel that any female in the area is connected to the industry. The industry has become so visible and blatant that residents are now moving out and it is difficult to attract newcomers. The economy as well as the confidence of the area has become affected. In the last 5 years the City, with Government help, has spent over £20 million in an attempt to re-vitalise our inner area of Birmingham. Most now concede that this money has been wasted because the 'red-light' public image of our area has countered its effect. So long as the image remains, residents feel, the area cannot be rejuvenated."

There is a very real concern.

Birmingham is seeking to become the convention capital of Europe. The projected convention centre, built on inner city slum clearance land, plans to employ some 2,000 or 3,000 people and to offer conference facilities to 10,000 delegates at a time. Convention centres usually attract the social problems that we do not happen to like. In Las Vegas, for instance, prostitution takes a very different form from that which it takes in our cities. I believe that the prostitutes, or hookers, are licensed.

The fact that we are trying to outlaw certain actions by citizens who seek the comforts offered by prostitutes should not cloud the fact that there is still a need within society for such a service. If Birmingham is to become a convention centre—as I hope it will—certain social obligations will arise, and we may well need to reconsider our attitude to the whole question of prostitution. Should it be legalised? Should we—as has been suggested—set up brothels run by the city or by the council? There is no point in simply shifting the problem so that a different aspect of it comes to the fore. The prostitute is a versatile woman. History shows that as one door is shut she will find another one that will open, because the demand remains. That demand will remain, whatever law is introduced.

The Bill refers to men only because it is considered that men are the prime culprits of kerb crawling. We understand kerb crawling to be driving down roads slowly while looking for ladies to solicit. I have some experience

[Mr. King]

of kerb crawling in America, because I went for a night-time walk with my hon. Friend the Member for Falmouth and Camborne (Mr. Mudd) to look at the red-light district of Washington. There, kerb crawlers do not kerb crawl, but pull up at a halt sign, where the girls congregate. They have to stop to negotiate the crossroads. I wonder whether that will be legitimate after the Bill has been enacted.

It might be possible that if we take men out of cars we shall put women back in them. There might be a reversal of roles, with men walking the streets and women soliciting from cars. Prostitutes are resourceful and will do all that they can to maintain their rather dubious standard of living. The car is the vital ingredient, as it affords the opportunity of sexual liaison without the need for entering a hotel or flat. The interiors of cars are now much bigger than they used to be and they tend to have reclining seats. It does not take much imagination to understand why they are so useful in this trade.

I also wonder about the Bill's definition of a motor car. We understand the car to be a four-wheeled vehicle, but a new beast has recently been introduced—Sir Clive Sinclair's C5 runabout. It is not a motor car, but it can kerb crawl. Indeed, that is about all that it can do. Is it possible that someone in a Sinclair battery car will not be covered by the Bill and will therefore be able to solicit from the doubtful comfort of his motorised bath-chair? Although many clients wish to remain anonymous, I understand that it is possible to buy necessary accessories to make oneself just that in a little Sinclair car.

The Bill deals with prostitution and soliciting in a car and in the street, but why does it not simply say that it is illegal for men to solicit for prostitutes in a street? It matters little whether they are on foot or in a car. We must also qualify what is meant by "persistent soliciting". It is an offence to solicit once from a car, but presumably it is permissible to solicit more than once when on foot. It is difficult to define who is doing the soliciting. It is often the prostitute who will ask, "Would you like to do a little bit of business?" That could be defined in several ways.

Clause 3 deals with soliciting causing fear. Fear must depend upon the emotional experience of the woman concerned. Ladies respond differently to actions by men. A man might make a physical action and scare one woman witless, while another woman might just smile. There are also enormous problems associated with sorting out how and where an offence was committed.

I welcome the Bill because it goes a long way towards dealing with the horrible problems that are experienced daily in Birmingham. I am sure that the citizens of Birmingham welcome anything that outlaws this odious activity. Nevertheless, the Bill must be examined carefully so that some of the dangers inherent in it are reduced to a minimum.

1.34 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): I am glad that I was able to listen to the whole debate before making my contribution from the standpoint of the Home Office. My first and pleasant duty is to congratulate my hon. Friend the Member for Plymouth, Drake (Miss Fookes) first on her good fortune in drawing such a high place in the ballot—one can go through a lengthy political career without achieving a place—and secondly on introducing a Bill of considerable importance to English criminal law.

The Bill makes two useful provisions. It changes the criminal law so that it might better deal with the problem of public nuisance caused by kerb crawling and the grosser forms of sexual approach to women. Secondly, it upgrades the penalties for two criminal offences, on which the general view of the judiciary and others has been that the present range of penalties is set too low. My hon. Friend fully justified both those points in her excellent speech.

I am glad to see that the Bill appears to be welcomed by all those who spoke in this interesting and lively, though perhaps not uniformly well-informed, debate.

First, I shall draw attention to what seems to be the most serious practical matter that we must address, that is, the matters dealt with in clauses 1 to 3 rather than the matters about increasing penalties, to which I shall return later. We face a serious practical problem. Many urban areas that are otherwise perfectly pleasant residential areas are being turned into extremely unpleasant places for people to live a normal family life because of a decision by prostitutes, probably only a few at the outset, but whose numbers increase, to ply their trade on the streets, and a corresponding decision by men seeking the services of prostitutes to descend on that area at all hours of the day and night in motor vehicles or on foot.

That problem has been attested to by hon. Members from several of our major cities, including hon. Members from London and Birmingham. I enjoyed the speech of my hon. Friend the Member for Birmingham, Northfield (Mr. King). My hon. Friend the Member for Southampton, Itchen (Mr. Chope) knows the problem only too well because he was previously the leader of Wandsworth council. That borough has been represented in the debate by the hon. Members for Battersea (Mr. Dubs) and for Tooting (Mr. Cox), and now by me. There is an especially acute problem in the Bedford hill area there. The hon. Member for Stretford (Mr. Lloyd), who is a sponsor of the Bill, also made an effective speech.

As an hon. Member who represents an inner city area, I know that it is being made extremely difficult for people to live a civilised life in some areas of our cities because of sexual harassment. That is unacceptable. Parliament has a duty to find some form of redress, subject to all the usual safeguards and appropriate rules of our criminal law, which is much more distinguished and better thought out than ever appeared in the travesty of a speech from my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn). He appears to have disappeared at the moment that he led us to believe he was greatly anticipating—my opportunity to comment on his points, in so far as some of them merit it.

We know of the problem, for example, in Bedford hill from just one piece of evidence submitted to the Home Office. A questionnaire was sent out to the residents of Bedford hill, 345 of whom responded. Their answers give an idea of what it must be like to live there. Incidentally, Bedford hill is not a rundown or ramshackle area—not that the problem would be acceptable there, if it were—but a pleasant residential area, and the people living there value their amenities.

The questionnaire asked:

"Have you or any member of your family ever been accosted by a kerb crawler?"

The answers were: once, 30; often, 73; occasionally, 119; never, 113. Two thirds of the people asked had been accosted, or said that members of their families had been accosted, by a kerb crawler. The extent of their anger will be seen readily from the response to another question:

"Do you think it should be against the law for a man to accost a woman from a car for sexual purposes?"

In that case, 315 said yes and 21 said no.

Whatever hon. Members had disagreed about today, they cannot disagree that the present law of England is inadequate to deal with the problem. Therefore, do we take our courage in both hands and introduce the best law that we can to deal with the problem, or do we back away from the problem, saying that to take action would be unjust and unfair and that we should not do anything until we have tackled all legislation relating to sexual offences? That is the practical balance that Parliament must strike. The answer may be different according to the strength of evidence on either side.

That is why it was perfectly acceptable for the Wolfenden committee, when it considered the matter nearly 30 years ago, to recognise that, even then, there was a problem with kerb crawling. However, having considered the matter and concluded that it was not of the first importance at that time, the committee summed up the position by saying:

"Whilst we appreciate the reality of the problem, and we consider that it should be kept under review, the difficulties of proof would be considerable, and the possibility of a very damaging charge being levelled at an innocent motorist must also be borne in mind. We do not feel able to make any positive recommendation."

That view was acceptable in 1957, and it is clear that some still hold that view. However, on the evidence that I have, as a Home Office Minister and as a Member of Parliament in a borough with an especially acute problem —although happily not in my constituency—I no longer believe it can be argued that the balance of convenience has not tilted irrevocably in favour of change. That has happened gradually. The first blow that necessitated a new examination of the legislation was the decision in 1966 that a provision which until then had been used to try to deal with the problem was not applicable to soliciting for heterosexual intercourse, because that was not an immoral purpose under the Act.

The Labour Government in the mid-1970s set up an interdepartmental working group to consider the problem. It reported in 1976 and said that a new offence should be created to control kerb crawling and related behaviour on lines similar to those in my hon. Friend's Bill. Then questions were asked about the whole area of sexual offences and prostitution, and the then Home Secretary —I was delighted to see the right hon. Member for Morley and Leeds, West (Mr. Rees) briefly in the Chamber today—believed that, at that stage, the case for making changes in that area was not sufficiently compelling as to undermine the importance, if it were possible, of obtaining more wholesale changes in the legislation on sexual offences. He did so on reasonable grounds, and I do not criticise him. He invited the Criminal Law Revision Committee to consider the problem.

The committee did so with great care. It divided its consideration into sexual offences other than prostitution, on which it published a working paper in October 1980 and a report in April 1984, and offences relating to prostitution, on which it published a working paper in December 1982. In an act of kindness, for which I am grateful, and in response to an Adjournment debate initiated by the hon. Member for Tooting, the committee agreed to bring forward the publication of its final report so that the House could consider the problem of kerb crawling. Its report on prostitution offences committed in the street was published in August 1984, and we await its final report on other prostitution offences.

The committee took its time, not because it is not a hard-working body of men and women — the membership of the committee belies that suggestion— but because of the inherent difficulties of the matter. All criminal law is difficult, because it deals with human liberty, the maintenance of an orderly society and the balance between the two.

Sexual offences raise such particular problems that inevitably they must be among the most difficult to deal with, and that is why another far-sighted decision was taken which I, having inherited the decision rather than having created it, can warmly praise without appearing to be reflecting credit on myself.

Because of the social judgment which also needed to be made—they were not simply judgments for lawyers —a policy advisory committee was set up, drawing on the expertise of a number of professions, including psychiatrists, teachers and journalists, under the chairmanship of Lord Justice Waller, to advise the main Criminal Law Revision Committee on some of the social implications of any changes that the committee might suggest. I should have thought that that was a careful and considered way of dealing with the matter. It has led us to the point that we are at today.

Mr. Parris: Does my hon. Friend think that the Criminal Law Revision Committee is happy about its proposals?

Mr. Mellor: I have every reason to believe that the committee is unanimous. At one point in his speech my hon. Friend rather misled himself—though I admired the careful research that he had done—by looking only at the working party report and not at the later report. Indeed, the recommendations that have gone into clauses 1 to 3 were unanimous, not just on the part of the Criminal Law Revision Committee, but on the part of the policy advisory committee.

If by "happy" my hon. Friend is asking whether the members of the committee were dancing in the streets on the night that they made their recommendations, I would not care to say, but, in so far as they believed that their proposals represented the best view that they could take in trying to deal with the problem in a civilised, sensible and, above all, effective way, I believe that the answer is yes.

Much professional thought has gone into the production of the Bill and I am sure that we should all want to change our view if we thought for a moment that the Criminal Law Revision Committee was not content with the measure. The purpose of that committee is to make recommendations which we then hope Parliament will, on the whole, accept, and it is for Parliament and no other body to determine what should come within the law.

I urge my hon. Friend the Member for Derbyshire, West (Mr. Parris) to recognise—he did not appear to do so with the clarity that one might have hoped for in his speech, which was, as usual, lucid and well considered —that perhaps he underestimates the significant point

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that, in bringing forward her proposals, my hon. Friend the Member for Drake has followed to the letter the recommendations of the Criminal Law Revision Committee.

No one has a conclusive view to which we must all make obeisance, and I do not make my remarks in that light. However, my hon. Friend the Member for Derbyshire, West, in an unholy alliance with my hon. and learned Friend the Member for Perth and Kinross, might allow a degree of modesty to enter into their judgment on this matter. They might then conclude that it is an issue worthy of some hesitation and that they should not pronounce in too determined a way the view that they have formed on what one imagines has been a more limited consideration of the legal problems that have arisen than that given to them by the Criminal Law Revision Committee. They might accept that their view on the law may not be better than that of the committee when dealing with such a technical matter. Even more important, my hon. Friend the Member for Derbyshire, West might agree that there are not necessarily easier ways of dealing with the issue.

Perhaps I should remind the House of the composition of the Criminal Law Revision Committee. Who would say of its chairman, Lord Justice Lawton, that there is a more distinguished lawyer in Britain? There were also Lord Justice Waller, Mr. Justice Lloyd — now Lord Justice Lloyd — Mr. Justice McCullough and Dr. Andrew Ashworth. Its membership included Professor Smith — one of the authors of "Criminal Law" — the foremost criminal lawyer in Britain with the arguable exception of Professor Glanville Williams.

The committee's membership included a whole range of circuit judges, stipendiary magistrates and the Director of Public Prosecutions, backed up by a policy advisory committee consisting of the Dean of King's college, London, a consultant psychiatrist, the assistant chief probation officer of inner London and a range of people with the social insights able to back up the necessary technical legal advice for which we look to the Criminal Law Revision Committee. That is the best that we can do after nearly a decade of studying the problem.

We have a choice. We have to ask ourselves whether Parliament needs to take action or whether the problems involved in taking action are so acute that we have to say to the people of Bedford hill, Southampton and Plymouth, "Sorry, it is too difficult to do something." If we say that we shall do something, we should not too readily think that these distinguished people have wasted a decade and are taking us down the wrong road. In the end, it will not help us if we say that we want the Bill, but we do not like any of its clauses. If this is to be an effective measure, we have to be sure that the details are right. I do not want to anticipate what I shall say in Committee, but there are points of detail that we would throw over at our peril.

Mr. Fairbairn: I am grateful to my hon. Friend for giving way because, as I have informed his Parliamentary Private Secretary, I have to get a train, so I shall not be able to hear all of his contribution. My hon. Friend may think that this principle is a good one, but I think that the worst possible way to establish a point is to say that the reason why it is good is that it has been established by experts. The more experts that arrive at a decision, the more suspicious I am of it. However, if one were to go up to a woman or a man in an English street and ask them an offensive question, whether it is, "Give me some money" or "Give me your body", is it the Minister's view that at present that is not an offence known to the law of England? If it is an offence known to the law of England, why do we need the Bill?

Mr. Mellor: My hon. and learned Friend may have a vested interest in dismissing the contribution of experts, but whether or not he thinks the law of England is materially, substantially or wholly inferior to the law of Scotland, it has been around for a number of centuries, and some of those most distinguished in it have lent us their advice for the purpose of drawing up the Bill. I dare say that Lord Justice Lawton and others will be disappointed that the Bill does not happen to commend itself to my hon. and learned Friend, but the gaps in English law that it seeks to address are well established through a number of judgments in our English courts, and, as far as we are concerned, that is the territory over which one has to operate.

I am not here to assert my views as a lawyer, so I shall resist the temptation to do other than say that the question that we are addressing today is whether there is a legal remedy at present for the offence of kerb crawling and some of the associated offences with particularly distressing and blatant sexual harassment of women. I shall make use of my limited time to address the questions put to me by a number of hon. Members who have been interested in this matter for a number of years. The answer to the question, on the authority of the Criminal Law Revision Committee and successive courts that have considered the matter, is no, and it is that problem that the Bill is seeking to address.

Quite rightly, a number of points have been made about the way in which the Bill might be applied if clauses 1 to 3 become law. The first point is about evidence. It is a basic rule of English law that it is for the court to determine whether evidence is probative, but if it is, the evidence of one man is enough to grant a conviction if he can give evidence sufficiently persuasive of the material points that make up the offence. It would be a grave step if we were to say that a police officer would not be suitable to give evidence that of itself was probative and persuasive to a court, but would have to have corroborative evidence from a private citizen. That would not be a helpful development, and I would counsel the House against it.

My hon. and learned Friend the Member for Perth and Kinross has somewhat garbled the point about police evidence. There is no question of a police officer being able to give hearsay evidence, and English criminal law is quite as rigorous on that as is Scottish criminal law. However, if an officer, by reason of his observations, is able to give the court persuasive evidence that he is satisfied that the offence has been made out and he is not altered in his opinion by any other evidence, it is acceptable in this offence — as in any other offence, with a limited range of exceptions — that that evidence should carry the day if the court believes it, accepts it and thinks that the witness concerned has spoken the truth.

Of course, it is desirable for a member of the public who has been upset by an alleged criminal act to give evidence in court. If hon. Members had not insisted upon

that, I should have argued the case myself. My hon. Friend the Member for Cheltenham (Mr. Irving), who made a wise speech, as always, was right to ask about that.

Police force orders relating to importuning state:

"Persons importuned who are not members of the police force should be asked to give their names and addresses and every effort should be made to persuade them to attend the court. If they refuse to do so a note should be made of the fact that the request was made."

If the Bill is passed, force orders will have to be extended to cover the enlarged territory of the Bill's provisions. I hope that every effort will be made in all proper cases, but we should not underestimate the difficulty of getting women to give evidence. Certainly a prostitute will have no incentive to give evidence. Some women who are not prostitutes might also be reluctant, particularly in view of the criminal infrastructure involved in running the rackets.

The worst thing that we can do is to think that we are closing a gap in the law, and instead festoon the Christmas tree with so many baubles that the Bill does not do the job that we want it to do.

I appreciate the many problems relating to ensuring that innocent people are not drawn in, and the problems of entrapment.

Mr. Soley: Persuading a witness to go to court is important. If there is no attempt to change the Bill in that direction in Committee, support for it will be more qualified. Not only should there be an attempt to get the witness to court, but the Bill should recognise that if a person is not willing to go to court the case should be regarded as dubious, particularly if it depends purely on police evidence. Even housing officials are reluctant to take action against a person who rents a house unless someone is willing to go to court and complain about behaviour. The law relating to prostitution is wide open to criticism in that respect.

Mr. Mellor: I do not think that the hon. Gentleman is right. The evidence of a police officer is probative in almost every crime in the criminal calendar if his evidence is believed. But we shall cover this ground in Committee, and I shall welcome the opportunity to deal with the matter. I have taken advice, and I shall have even better advice for the Committee. If my advice changes, I shall inform hon. Members. If we require that unless the complainant gives evidence the charge cannot succeed, the measure's efficacy will be gravely undermined, and I doubt whether it will control the nuisance that it seeks to redress. We shall have this out in Committee.

The suggestion is that even if a court is convinced that a police officer is telling the truth when giving evidence which covers all the material points of an offence it should not accept that evidence but should require something more. That is a serious suggestion. It might just be a refined way of putting forward a basic anti-police prejudice to which I, as a Home Office Minister, will not give credence.

Mr. Soley: In no way is it an anti-police statement. To some extent it is designed to protect the police because they come under criticism. The point is that if this nuisance exists the person who is affected ought to be prepared to come and say so.

Mr. Mellor: The hon. Gentleman is wrong in thinking that he can avoid the charge that it is anti-police, even though I accept that he does not intend it to be anti-police, by turning the police into second class witnesses.

Mr. Soley: No.

Mr. Mellor: Oh, yes, that is what the hon. Gentleman is doing. He is saying that if a man is not in uniform and is not a police officer that is all right but that if he is a police officer it is not enough. I can think of no conceivable basis upon which to differentiate this particular area of the criminal law from any other. Knowing of the trouble that his constituents in Bedford hill face, it is the interests of the constitutents of the hon. Member for Tooting that I am so anxious to try to protect. In many of these cases, it is not the woman who is suffering the nuisance. The prostitute is perfectly happy to be accosted.

Mr. Soley: I am not talking about prostitutes.

Mr. Mellor: I know that the hon. Gentleman is not talking about prostitutes, but to some extent we are talking about prostitutes. The menace that the hon. Member for Tooting laid before me so eloquently — indeed so eloquently that I am wholly persuaded and now advance the case, if anything, with as much enthusiasm as does he — is that if a gang of prostitutes descends upon a residential area and the prostitutes are then accosted from cars, one cannot say that it is just the prostitutes who are causing the nuisance and that if the prostitutes are not prepared to go before the courts no nuisance has been created and there can be no conviction. It is the rest of the people, who sometimes have to suffer acts of prostitution in their own front gardens, who are offended. Therefore, in order to stop men going there like flies round a honey pot, one has to do something to make the honey a little less attractive. Therefore, one should make those men liable to be arrested and convicted of an offence which, as has rightly been pointed out, would carry considerable problems for them, far above and beyond any penalty that could be imposed by the courts. If one insists upon the woman giving evidence there is no way in which this can be an effective measure, and half of the problems of Bedford hill will not be dealt with. I look to the hon. Member for Hammersmith for support during the Committee stage, and I hope that I shall get it.

Mr. Soley: The argument is not about "the woman". If I said "the woman" it was an error, and I apologise for it. The point is that we need corroborative evidence. Before the housing department of a local authority will evict a family for being a nuisance, it requires other people to go to court to say that they have experienced a nuisance and to say what that nuisance is. In addition to the police officer, somebody who lives in the street and who has been troubled by the nuisance must be prepared to go and say what the problem is. It is not just the prostitute about whom we are talking.

Mr. Mellor: The hon. Gentleman is plucking a particular point out of the civil law and saying that it should apply to the criminal law. I am saying to the hon. Gentleman that on this occasion, although he is well informed on many other matters, he may be misleading himself. If he is saying that an adjoining resident would give evidence about general nuisance, I should have thought that that would be prejudicial to the defendant. If

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he was not giving evidence about a specific incident but said that a great deal of nuisance was being caused, this could only be thought to be prejudicial to the individual who was being charged. If a great deal of nuisance was taking place, it would be said that he was just one of those who was affected. We shall have to leave this matter until the Committee stage. However, I hope that the hon. Gentleman will think long and hard before trying to persuade the House to attach such a provision to the Bill. After nearly 30 years we are doing something about the problem. Therefore, I hope that the hon. Gentleman will not attempt to attach provisions that would mean that the misery of Bedford hill will not be removed.

I was slightly puzzled by one of the references to the agent provocateur. There have been one or two debates on the subject during the past 12 months. I tried to make clear on those occasions — and upon another occasion my hon. Friend the Minister of State attempted to do the same — the view that the Government take about the agent provocateur. Plainly there should be no entrapment in this or in any other offence. Plainly in relation to the necessary observation duties strict rules have to be applied. When this matter was last raised on 29 October — I shall remind the House of it because it is relevant — I quoted from the Metropolitan police orders:

"'Officers selected for these duties'"—

plain clothes duties—

"'must be briefed by a senior officer to ensure that they avoid behaviour which could give rise to legitimate accusations that they had acted as agents provocateurs. The term agent provocateur was defined by the Royal Commission on Police Powers in 1928 as a person who entices another to commit an express breach of the law which he would not otherwise have committed and then proceeds to inform against him in respect of such an offence'."

I went on to say,

"In general, no one should be arrested solely on account of behaviour towards police officers, although if the offence is particularly flagrant, arrest may be necessary." — [*Official Report*, 29 October 1984; Vol. 65, c. 1118-19.]

I hope that those remarks, which clearly state our view on agents provocateurs, are of assistance to those who have rightly raised the point today.

My only additional comment is that if a lot of police women dressed up in provocative clothes and waved at motor vehicles in the street, and a poor driver stopped, it would plainly be wrong for him then to be charged with an offence under this section, even though this is one of the difficulties with which we must contend — the defence of agent provocateur is not known to English law.

If, in an area—say in Bedford hill—where it is well known that prostitution and kerb crawling take place, a woman, perfectly normally dressed, should walk down a road as if she were any other woman going home to her family, and if she did nothing to draw attention to herself beyond doing what has been commended — a woman exercising the rights of any citizen to walk along a road —the fact that that woman was a police officer, trying to deal with the problem of kerb crawling, would not make her an agent provocateur. Before people condemn that practice, they must ask themselves whether we want the law to be effective and enforced and whether we want hope to be finally given to areas like Bedford hill. If so, we should pass a law that not only says that it addresses the problem, but one that does.

Clauses 1 and 2 address the problem of the man who solicits a woman for the purposes of prostitution, both in his motor vehicle and, if he chooses to evade the law by leaving his motor vehicle, when he is walking down the street. I notice what was said about clause 1(1)*(b)*. I can understand some of the points that were made about the somewhat inelegant expression there and we shall see what we can do about it, but it may be that it is inelegant for a good reason.

I appreciate that when we come to clause 3 we are dealing with a different and more difficult area. Clause 3 deals with the grosser forms of sexual harassment of women, falling short of anything that would be criminal. One does not have to talk to many women who travel around London or some of our other great cities who have been alone on a tube train at night, in a railway carriage, walking down a street, or in some other situation, to find those who have been subjected to something that goes far beyond the natural inclination of a man to talk to a pretty girl and which becomes a gross form of sexual harassment of a kind about which there is a real issue as to whether it should be made criminal. That may happen in a cinema and a range of other places off the street. We must consider whether we want such an offence, and if so, do we want it to be as widely drawn as it presently is.

I shall reserve my detailed comments to Committee, but I hope that it will be borne in mind that in arriving at its conclusion on that the Criminal Law Revision Committee did so only after a great deal of heart-searching and careful advice from the Policy Advisory Committee. In the end, it was unanimously recommended because the committee believed that the points that were being made from a wide range of women's groups to the Policy Advisory Committee could not and should not be ignored.

I hope that my hon. Friend the Member for Drake will be able to enlist more lady Members to contribute in our debates before too many men jump in with hobnail boots and start laughing about the manner in which clause 3 is phrased. We know that every day women are being faced with such problems that are bitterly resented, and that they were delighted when they heard that the Criminal Law Revision Committee was taking note of their concerns and that the Government were taking that up.

My hon. Friend the Member for Derbyshire, West criticised the phrase

"manner likely to cause her fear".

If members of the committee had been here, that would have been one of the occasions—there would have been a number during his speech — when they would have liked to box his ears soundly. He suggested that the committee did that simply to facilitate the police giving evidence and the need not to call a complainant. That is far from the case. The measure imports an element of objectivity into the approach so that the question of whether a criminal offence is committed does not depend upon the particular and possibly idiosyncratic reaction of the propositioned woman.

I make my final point because I know that sporting gentlemen are assembling for their debate, and I want to leave Members some time to consider lighter matters. I attach a great deal of importance to clause 4. I do not believe it should be overlooked, even though it has not drawn the controversy—except by my hon. and learned Friend the Member for Perth and Kinross—that clauses 1 to 3 have drawn.

We attach a great deal of importance to increasing the penalties for attempted rape. There is no logical reason — especially after the Criminal Attempts Act 1981 which equated the penalty for attempts generally with the penalty for the completed offence—why attempted rape should be excluded from increased penalties, especially since the attempt, from the point of view of the offender, may be a more serious offence than the concluded act. In an attempt, the man must always have the intention to conclude the offence. That is not, of course, true in the case of the offence of murder, where an intention to cause grievous bodily harm suffices. In the case of attempted murder, there must be an intention to kill.

As my hon. Friend the Member for Drake made only too clear, the fact that the man does not complete the act he intends to carry out is often wholly fortuitous. I entirely agree with the hon. Member for Hammersmith (Mr. Soley) that the life sentence exists to protect the public. Indeed, often it exists to protect the offender from himself, and that is why life sentences are passed. A number of life sentences for rape are passed every year. I believe it is right for the court to have that power in dealing with attempted rape.

Many members of the judiciary have long recognised that a penalty of only two years for indecent assault is no longer justified. I can do no better than remind the House of what was said in the tragic case in 1982 where a respectable women was murdered by a young man only 13 weeks after he, with a history of sexual misbehaviour, was released from prison after serving a two-year sentence for indecent assault. There seems little doubt that, if the court had had the power to sentence him for a longer period, it would have done so on the basis of the unacceptable threat he posed, and would pose in the foreseeable future, to the public.

The consequence of a two-year maximum term — rather than a longer term—being available was that the man was released and the life of an innocent woman was taken. As that man is in prison facing what I imagine will be one of the longest sentences—unless the assessment of his propensity to commit these offences diminishes over the years—one wonders whether the court did him a favour by trying him for an offence that merited only a two-year term. There are occasions when age brings greater maturation and when one can be more confident about a person's ability to cope with sexual stress.

I hope that, by increasing the penalty to 10 years, we shall deal with the problem caused by the low penalties for indecent assault. That does not, of course, mean that every offence of indecent assault will merit imprisonment for longer than the existing maximum, but the legislation will enable the judge, when he is concerned not just at the gravity of the offence but at the threat the man's behaviour might pose in the future, to pass an appropriate sentence.

This has been a long debate. I hope that, in speaking as I have and in finding myself with many other points that could usefully have been made, I have not outstayed my welcome. I wanted to justify my strongly held view that this is an important and worthwhile Bill which deserves to be supported by the House and which, I hope, will receive a unanimous Second Reading.

Question put and agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 42 (Committal of Bills).

Sports Fields and Recreational Facilities Bill

Order for Second Reading read.

2.15 pm

Mr. John Carlisle (Luton, North): I beg to move, That the Bill be now read a Second time.

There will be some disappointment outside this place that we are allowed so little time on this important subject. However, I hope to be able to cover a fair amount of the Bill in the short time that is available to me. The Bill has the support of many colleagues on both sides of the Chamber. It has also the support and sponsorship of the Central Council for Physical Recreation, the National Playing Fields Association, the Football Association, the London Sports Council Standing Committee, the Fair Play for Children organisation and many other community groups and individuals who have been in touch with me over the past few weeks. In particular, I give a word of thanks to Mr. Peter Lawson, the general secretary of the CCPR, and Mr. Nigel Hook, its technical officer, who have given me enormous help in preparing the Bill.

Some concern has been expressed in this place and outside for some time that some of our playing fields and sports fields are at risk to the developers. The CCPR produced a leaflet some months ago entitled "Sports Fields at Risk", which was circulated to virtually every hon. Member. There are fields that are owned by local education authorities and used by schools, fields that are owned by private commercial companies, fields that are owned by nationalised industries and fields that are owned by Government agencies, including the Ministry of Defence. The Bill seeks to encourage the dual use of these fields. It takes up a Conservative party manifesto commitment and, indeed, commitments which have been entered into by both the Conservative and Labour parties over the years. It seeks to widen our knowledge of how many of the fields are at risk and how many are being put up for development. It seeks also to form a sports register that will be similar to the land register, which will enable my right hon. Friend the Secretary of State for the Environment to know precisely the amount of land that is being used for recreation and for sport. Such a register will give him a greater opportunity to implement effective monitoring.

The House will be aware that school playing fields are regulated under Department of Education and Science regulation No. 909, which was introduced by my hon. Friend the Parliamentary Under-Secretary of State when he was at the Department of Education and Science. The regulation is designed to reassess the need for playing fields for pupils and access to those facilities. It provides a definite requirement that schoolchildren should have a certain area of playing facilities.

A problem has arisen over the past few years, which is quite understandable. As school rolls begin to fall, and continue to fall, certain education authorities may take the opportunity to use the decline as an excuse to develop the land that is now used as playing fields. This has put the playing fields at risk. My hon. Friend the Under-Secretary of State said in November 1981 in the course of a speech at Bournemouth:

> "In the longer term, I accept that the total area of playing fields at schools may well be reduced."

That is the problem that we face.

Mr. Nigel Spearing (Newham, South): I understand that there is a problem of time, and I hope that the Government will not take advantage of it. Does the hon. Gentleman agree that it would be feasible for local authorities in the position that he has described to make surplus playing fields available for youth and adult recreation, and that there is no obligation on them to make playing fields available for residential or other development?

Mr. Carlisle: I agree with the hon. Gentleman. If he reads the later part of my Bill, he will find that that is covered by clause 4.

There is concern that, as school rolls fall—they are falling considerably in some areas—there will be great temptation to sell off the land for development. There is even greater concern that, as the rolls start to rise, as undoubtedly they will, although admittedly not to previous levels, the fields will have gone, and gone for ever.

It is remarkable that since the Bill was launched in December I have had several instances put before me where local authorities have put up land for sale, to the detriment of the needs of those living in the local areas. For example, at Beeston, Nottinghamshire, the Roundhill playing fields, comprising about 1·53 acres, were proposed for development by the local authority. This has caused great consternation among the local residents and a large petition has been collected. My hon. Friend the Member for Broxtowe (Mr. Lester) has become involved in the campaign. The campaigners voice the fears of many others in similar situations. They lacked knowledge because of the secrecy of the council. They argue that the amenity will be lost for ever and that the first that they learnt of the proposal was from information in the press.

Instances have also been mentioned to me by Members from Sussex, Derbyshire, Shrewsbury, Cambridgeshire and south Glamorgan, and many more can be cited. There are certainly too many to ignore. That is one of the reasons why the Bill has been introduced.

The problem is perhaps most acute in inner city areas. Members from London constituencies will be interested to hear that a couple of days ago I received a letter from the head of the physical education department of a comprehensive school in Brixton referring to the risk of depriving future generations of the pleasure of playing on grass pitches and thereby condemning them to the concrete jungle. He goes on to talk about poor and unrealistic facilities and says that some clubs in the area are now running fewer teams due to the lack of facilities. I am sure that many local councils in London are now under great pressure from residents to retain existing playing fields and sports facilities. Further difficulties may have been caused by the recent ILEA edict that schoolchildren should not travel more than 20 minutes from their school for outside activities, which may mean that children from some schools never play on a grass pitch.

Time precludes my listing the many other owners of sports fields, including nationalised industries, London Regional Transport, British Rail and the Ministry of Defence. One must ask the Government whether any of those bodies is under instruction to sell because of the financial constraints understandably imposed upon them.

The largest proportion of playing fields are owned by private companies and are under real threat. It is difficult to deal with this through legislation beyond merely seeking to persuade companies not to sell off their facilities. The number of employees may have fallen considerably, and the firm's viability may depend upon selling off the playing fields. In this context, I welcome the approach made by my hon. Friend the Minister to the 100 top employers in this country and the good response that he received. They have shown great co-operation with his initiative and I hope that he will continue that worthwhile exercise.

The Bill consists of four modest clauses. Clause 1 encourages the dual use of facilities. Here, research is encouraging and there is no doubt that some local authorities have taken heed of the efforts of previous Governments and the CCPR to encourage the sharing of facilities among local community groups. The facilities may not be exactly suitable for those who wish to use them, and extra costs may arise in relation to caretakers, groundsmen and so on, but I am encouraged to note that many firms and schools have taken on board the concept of multiple use.

We must consider how we may better publicise the idea of multiple use and encourage schools and private companies to put forward their own ideas and encourage more local sports clubs to use the existing facilities. It is sad to note that in Birmingham, for example, the local county football association has had to refuse 44 applications from clubs wishing to join the league because there are not enough pitches. One wonders whether pitches are in fact available in schools and private grounds, but are being held back for some reason. There is no doubt that the demand for these pitches exists. My Bill does not seek to compel schools or private companies to make them available, but if they are not made available the time for compulsion may come.

Mr. Colin Moynihan (Lewisham, East): Should not the Bill be regarded as a step towards increasing participation in sport, by retaining facilities that might otherwise be lost?

Mr. Carlisle: My hon. Friend is right. Existing facilities should be retained—that is the guts of the Bill. In certain areas of the country—I do not want to raise a national alarm—there is a real threat, and such facilities are now subject to the ambitions of the developer and the builder.

The second clause provides for the notification of the development that is to take place and makes it obligatory that the issuing of a certificate under the existing planning legislation should be notified to interested sports bodies. That would put an end to the accusations of secrecy that have been made, and, in a sensitive area, would clear the air. Local newspapers would carry large advertisements of the fact that the land was to be developed. The clause would ensure full public knowledge of the opinions and intentions of local authorities and others interested and, I hope, provide an opportunity for consultation. Clause 2 also provides that the Secretary of State should be notified of any impending development.

Clause 3 suggests the formation of a sports register. It gives the Secretary of State the opportunity — nothing more — to compile a sports register if he thinks fit. Previous attempts to compile a sports register have foundered for various reasons. In 1977 the Department of the Environment issued a document entitled "Amenity Grasslands" which listed the areas of grassland in

existence. The regional sports councils also attempted to make their own survey some years ago, but got bogged down.

It is important that such a register should be compiled. It could be administered by existing machinery, perhaps through the Sports Council, which is in a way an arm of Government, or through the CCPR, which has already said that it would be prepared to run the register. All inspections of the register would be paid for by the inspectors, and in that way, I hope, the overall cost could be kept down. I do not want to increase Government expenditure.

Clause 4 is brief. It is intended to make more land available to sporting charities. The hon. Member for Newham, South (Mr. Spearing) referred to this problem. The clause would help to ensure that the profits of the sales of grounds are devoted only to sporting purposes. It should be of benefit to the National Playing Fields Association and other charitable organisations.

The Bill forms part of the process of encouraging people to participate more actively in sports. We should encourage the Sports Council, which has been responsible for various campaigns, including, recently, "Ever Thought of Sport?". We should be a more active nation. About £0·5 million was spent on that campaign, and it would be a tragedy if the fields and pitches were not available for those influenced by it.

The Bill would ensure also that future generations of schoolchildren have the opportunity to play on grass pitches. Local education authorities must be aware that school rolls will rise again, and they must take care before they offer surplus land for development.

Lastly, I want to arrest the decline in the national sporting arena. Our great national sports, such as cricket, association football and rugby football, have suffered over the years for various reasons, including perhaps the lack of grass pitches. We have plenty of hard pitches and indoor facilities. I hope that the Bill, if passed, will improve our national and international sporting status.

2.28 pm

Dr. David Clark (South Shields): The Opposition welcome the Bill introduced by the hon. Member for Luton, North (Mr. Carlisle). The only pity is that the hon. Gentleman had not been converted to this course by 1980. Prior to the passage of the Local Government, Planning and Land Act 1980, much of the land was protected. Following the passage of that Act, it has been easy to dispose of land vitally needed for sport and recreation.

We are happy to support the hon. Gentleman, but I wish that he had been converted a little earlier. As a result of changes made by the Government, local authorities are giving themselves planning permission and then selling the land at its enhanced value. That would not have been possible before the Local Government, Planning and Land Act 1980. It is clear that much land, especially in the London area, is threatened. The Parliamentary Under-Secretary of State for the Environment knows that land near Cheam in his constituency is affected. The same is true for London, Edgware and London, Richmond. There is a long list—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed upon Friday 15 February.

PROHIBITION OF FEMALE CIRCUMCISION BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 1 February.

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Brunei and Maldives Bill *[Lords]*, notices of Amendments, new Clauses, and new schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*[Mr. Archie Hamilton.]*

Building Industry (Black Economy)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.30 pm

Mr. Christopher Chope (Southampton, Itchen): The House has spent much of the day discussing the grave public nuisance caused by one part of the black economy —the one with scarlet edges. I am pleased to have the opportunity to draw attention to another part of it which is far more extensive and has a much wider impact on the public—the black economy in the building trade.

The Keith committee report on enforcement powers of the revenue departments, which was published in 1983, defines the black economy as

"all activities which are concealed from the revenue collecting authorities with the specific intention of avoiding tax".

The size of the black economy in the United Kingdom is impossible to estimate precisely. Sir Lawrence Airey has estimated that it is between 6 and 8 per cent. of gross domestic product. If it was 7 per cent. of last year's gross domestic product of £305·7 billion, it would have been worth more than £21 billion. The tax loss on that sum could have been as high as £6 billion. Those large figures show that the public think that the taxes they are expected to pay are far too high. The size of the black economy is strong evidence of the need to reduce the overall level of taxation.

What proportion of the black economy is in the building industry? The Federation of Master Builders estimates that it is 20 per cent., or £1 billion a year in lost taxes. That estimate is regarded as low by the Building Employers Confederation, and as very low by the National Home Improvement Council. The debate is therefore about what is being done, or can be done, to bring that lost revenue into the Treasury, so enabling tax cuts to be made all round.

The black economy in the building trade is a problem because of lost revenue, which means that everyone else must pay more, and because consumers, normally private householders, suffer greatly from delayed or shoddy workmanship for which they can often gain no redress. It is inevitable that only a small proportion of dissatisfied customers complain to the Office of Fair Trading. However, more than 24,000 complained in 1981, more than 28,000 complained in 1982, more than 36,000 complained in 1983 and 23,015 complained in the first six months of 1984. Those are the figures for consumer complaints about construction, double glazing and house insulation work and are published in the *Official Report* of 21 November 1984, at column 186.

Such a high level of consumer dissatisfaction brings the building industry into disrepute. The public are largely ignorant of the risks involved in the lack of redress when cowboy builders are involved. They do not think about the implications of the builder having no insurance and do not understand the complexities of value added tax. They regard "No VAT" in a builder's advertisement as an attractive inducement, rather than as a warning of pitfalls.

Examples of the gullibility of the public abound. Yesterday's *Daily Telegraph* reported a case at Oxford Crown court, in which a 64-year-old woman paid £11,350 —almost her life's savings—to a contractor who spent two days relaying a drive, tidying paths, lopping trees and demolishing two sheds. She then had to pay a further £739 to have the shoddy work put right. It was estimated that if the work had been done by a respectable builder in the first place the bill would not have been even as high as the £739 that she had to pay to have the work put right.

The black economy in the building trade is bad for the general body of taxpayers, for consumers and for those who work in the industry. The unfair competition from those who are not registered for VAT puts pressure on legitimate building employers to reduce their overheads by employing more self-employed labour and by cutting training.

I understand that the Department of Employment has evidence that that self-employment in the building industry has increased by 13 per cent. during the past two years. I recognise and applaud the fact that many people want to assume the risks and responsibilities of being their own boss and being self-employed. However, there are many skilled and unskilled building workers who would prefer the security of being employees, so that they can be eligible for sick pay and unemployment benefit in the event of losing their employment.

It is always easier for politicians to state a problem than it is to provide a remedy, but a remedy must be found. I look forward to hearing from my hon. Friend the Minister of State, Treasury of the Government's efforts to combat the escalation of black economy activity in the building trade. I would particularly welcome his observations on two suggestions.

My first suggestion is that the Government should eliminate the areas in which the Treasury not only loses income in the black economy, but actually helps to fund it. Home improvements are big business. The report of the Building Material Producers forecasting panel of November 1984 estimated that repair, maintenance and improvement work represented about 40 per cent. of total output in the construction industry, compared with only 25 per cent. in 1970.

Much of that business expansion is funded by taxpayers and ratepayers through grants or subsidised by tax relief on loans. The Government should insist that taxpayers' subsidy should go only to those who have their repair, maintenance and improvement work carried out by VAT-registered builders, and preferably by builders who participate in the welcome new initiative of the Building Employers Confederation, that is, its guarantee scheme. For a small additional premium—about 1 per cent. of building costs—a person who is having building work carried out has a guarantee against the builder going bust or the work proving to be defective within a specified period.

At present, some local authorities are paying grant money on estimates rather than on receipts. That seems incredible when we say that the public sector must get good value for money. Even more local authorities are paying grant money which will end up in the pockets of evaders.

My second suggestion is that the Government should recognise the reality that registration for VAT is a major disadvantage to a jobbing builder in quoting for small private work. As a result, small builders do not register, although the law requires registration where annual turnover reaches £18,700. The Government must recognise that it is virtually impossible to conduct a legitimate business in the building industry with a turnover of less than £18,700 a year. Yet, by having a threshold, evasion is encouraged and proof of evasion is hampered.

It would be much simpler to have the VAT threshold reduced to zero. Then any jobbing builder who is not registered can be prosecuted solely on proof of working as the sole proprietor for reward.

The extent of VAT evasion is breathtaking. A recent survey of classified newspaper advertisements for building services from newspapers throughout the country showed that between 70 per cent. and 75 per cent. of those advertising building services were unregistered for VAT. Many newspapers carried blatant display advertisements boasting, "No VAT." The position is farcical.

The Customs and Excise must mount a major investigation to prove turnover in excess of £18,700 to obtain a conviction. Its job would be much easier if the threshold were nil. Belgium and Italy have nil limits on registration for VAT, and in most other European countries the registration threshold is much lower than that in Britain.

Some people have lobbied for a higher VAT threshold and argue that lowering the threshold would simply increase administrative costs, but a nil VAT threshold for all those undertaking building work for reward is the only way to ensure that we deal with this aspect of the black economy.

In his foreword to the White Paper on the calculation of VAT, my right hon. Friend the Chancellor of the Exchequer said:

"Traders who conscientiously comply with their legal obligations must not be put at a disadvantage compared with their competitors who do not."

At present, traders who conscientiously comply with their legal obligations are put at a disadvantage. On the basis of what my right hon. Friend said, I hope that when he decides his Budget he will think seriously about the strong case for reducing the VAT threshold to nil. The threshold need not be reduced for areas other than the building industry, if there are strong arguments against that. I limit my submissions to the building industry.

The Government must take the matter more seriously. If the estimate of Kent Matthews of Liverpool university, writing in *Economic Affairs* in July 1983, is anywhere near correct, about one third of those included in unemployment statistics are actively involved in the black economy. If benefit fraud is added to the loss of tax and VAT, the financial implications are even more serious. I hope that my hon. Friend will be able to assure the House that the Chancellor will seek to eliminate the inducements to tax evasion that undoubtedly exist in the building trade.

2.42 pm

The Minister of State, Treasury (Mr. Barney Hayhoe): I congratulate my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on raising this important matter. He property concentrated upon the tax aspects of it, although he said something about the consumer aspects. He will understand that his comments about standards should be addressed to my right hon. and hon. Friends at the Department of the Environment, and I shall ensure that their attention is drawn to his remarks. If appropriate, I am sure that they will be in direct contact with him.

I shall concentrate on tax, and I endorse warmly my hon. Friend's proper criticism of cowboy operators in the black economy who evade their lawful tax obligations. There can be no justification for such actions, and the Revenue Departments deserve our full support in taking action against those involved. My hon. Friend referred to VAT. It is important to keep in sight the dual nature of the problem, which involves income tax as well as VAT. By definition, it is impossible to quantify precisely the extent of the black economy, although my hon. Friend mentioned some estimates.

Because of the different tax thresholds, it is worth stressing the fact that the problem bites first on the income tax side. An odd-jobber must have a turnover of more than £18,700 a year — about £350 a week — before VAT becomes chargeable. On the income tax side, on the other hand, personal thresholds start at just under £40 a week for single and at just over £60 a week for married people.

With VAT there is also an inbuilt incentive to register in that only then can input tax — all the VAT that the builder pays for his equipment and supplies — be refunded. It is, therefore, in his interest to register.

As my hon. Friend concentrated on the VAT aspect, I shall deal with that. There are two main ways in which VAT is evaded. The black economy, cowboys, moonlighters and similar phrases are used rather loosely when speaking of these matters, but basically there are two categories of evasion of VAT liability.

The first is when work is done for cash and suppressed by VAT-registered businesses. VAT is lost on the total price of the job unless the purchase of the VAT-paid materials used is also suppressed. That is where businesses are properly registered but do cash transactions.

Secondly, VAT is lost when work is done by people unregistered for VAT but whose turnover is such that they should be registered, and my hon. Friend referred to that category. VAT is lost on the labour element of the job but not normally on the materials, which are bought VAT-paid unless the builder's merchant is also in on the racket and is selling materials for cash without keeping records.

There is a third category of people who do not pay VAT and who take advantage of the registration limit of £18,700, but they do that legitimately. From the VAT point of view, that group includes not only many part-timers or moonlighters who trade in their spare time or when temporarily unemployed, but small-time traders and craftsmen who can make a reasonable living without going over the limit, possibly aided by the device of getting the customer to buy the materials for the job, thus keeping low the turnover of a one-man business.

Some in that category may be evading income tax and national insurance, and I have mentioned that problem. I assure my hon. Friend that the Inland Revenue is doing all it can to pursue that type of tax evasion in the black economy by the cowboys and moonlighters. However, they are not evading VAT if their turnover is genuinely below the £18,700 limit.

It is sometimes argued that unregistered traders with a small turnover are competing with VAT-registered traders. That is not peculiar to the construction industry. The logic of the argument is that the registration limit is too high, or at least too high for the services trades, and I shall return to that shortly.

The existence of that category of people trading below the VAT threshold makes it more difficult for the Customs and Excise to get evidence against unregistered people who should be registered. When challenged by the Customs and Excise, they can say, "My turnover is nothing like £18,700", and if the bulk of their trading is for cash and there are no records available for the Customs

[Mr. Barney Hayhoe]

and Excise to prove the suspected illegality, that leads to difficulties, and extended investigation might be required to establish that fraud is taking place.

My hon. Friend suggested ways in which Government action could help reduce the amount of fraud and evasion. He suggested, for example, that the whole of the improvement repair grants operation should be confined to VAT-registered building contractors. However, this is primarily a question for Department of the Environment Ministers.

It would be difficult to insist that all home improvement and repair grants had to go to VAT registered dealers, as I am sure it would lead to the charge that we were discriminating against the small man, perhaps just setting up in business on his own, and quite properly not yet liable to VAT registration. I know from what my hon. Friend said about the importance of small businesses that he would be loth to incur such a charge.

One has also to bear in mind the needs of the do-it-yourself householder, who might be able to do the bulk of the work himself with the assistance of one or two skilled craftsmen who might or might not be registered. I understand that the Department of the Environment will be issuing a consultation document on home improvements policy soon. If I have been reading my papers correctly, there was some reference to this in the White Paper on public expenditure that came out this week.

Mr. Chope: Will my hon. Friend accept that it is open to anybody who is trading as a sole proprietor to register for VAT? If it is thought that that might be unfair on some traders who do not yet have the £18,700 turnover, they could still register for VAT, as they do in my profession. Every barrister registers for VAT, even when he is obviously earning a lot less than that.

Mr. Hayhoe: Such registration causes a lot of extra work for the Customs and Excise, because registration for VAT is being seen as a badge of importance. If one is not registered for VAT, people assume that one's turnover cannot be £18,700. In the legal profession people are presumably concerned with that appearance, as they are in other professions. There are problems in insisting, as my hon. Friend has suggested, that the improvement and repairs grants system should work only through VAT registered traders, but this is a matter for the Department of the Environment Ministers, and I shall draw my hon. Friend's comments to their attention.

The main effort of the Customs and Excise is directed at controlling and investigating suppression by VAT registered traders—that is the cash payments that are not in the records and lead to evasion of tax liability. In the building and construction industries, the abolition of the pre-1984 liability borderline between standard-rated repairs and zero-rated alterations allows the Customs and Excise to concentrate on the main task of seeking out suppression. The old borderline provided rather an easy method of evasion, in that if repair work was misdescribed as being alterations the work changed over from being standard rated to zero rated and a fraud took place. Undoubtedly, some people exploited those opportunities for evasion, which have been removed by the changes that my right hon. Friend the Chancellor of the Exchequer made in the last Budget.

Enforcement of the £18,700 registration requirement is rather more difficult. It is time-consuming to get adequate evidence of failure to register, and the amount of tax, even if arrears can be recovered, is relatively small. Controlled visits to registered premises are much more cost effective in bringing in under-declarations and arrears of tax—that is the experience of the Customs and Excise. Nevertheless, it is co-operating in a study in selected locations with the Building Employers Confederation designed to establish the size of the problem and the number of people who are unregistered but are offering their building services to the public.

The Customs and Excise will then do an in-depth study into one of those areas to try to establish the proportion that is unlawfully trading above the registration limit. When this research has been completed, we shall have a clearer picture of whether more resources should be devoted to policing the registration limit or whether other solutions might be considered. As my hon. Friend knows, as part of its 1985 Budget submission, the BEC is asking for a reduced rate of VAT to about 5 per cent. on all work—alterations, improvements and repairs to existing buildings. It also wants a nil registration limit for the building trade. The object is to ensure that all people supplying building services are liable to register and account for VAT.

My hon. Friend knows that I cannot be drawn on the question of a reduced rate in this period before the Budget. I am in pre-Budget purdah and anything that I say, or anything that I do not say, cannot be taken to mean that the Chancellor will do anything, or not do anything, in his Budget later in the year. I intend to give no indications and no inference should be drawn from what I say.

The introduction of a second positive rate of VAT for construction alone would probably involve a revenue cost and certainly an administrative cost. Both would have to be taken into account when coming to a decision.

A nil registration limit for the construction industry would be a draconian measure with a vengeance. It would catch every odd job man who supplemented his earnings by occasional evening or weekend work. It would have to be enforced. If such people were successfully registered they would have to be controlled and their VAT returns and remittances would have to be investigated. The flurry of correspondence to hon. Members complaining about the bureaucracy, rules and form-filling would be alarming.

As my hon. Friend acknowledged, most of the representations received by the Treasury are in the reverse direction. We are asked for a substantial increase in the registration limit. At Question Time yesterday I was pressed to increase the limit and I had to make it clear that to do that would lead us into conflict with European Community law and was not possible. I accept that there is a balance. Some people would be disadvantaged by such an increase, and others would be advantaged.

We shall keep an open mind about changing the registration requirements for the building industry along the lines that my hon. Friend suggests. I do not want to arouse either fears or expectations that changes will be made. We should await the studies to which I referred earlier.

The extra resources which the Inland Revenue is devoting to detecting moonlighters and cowboys might not only provide Customs officers with evidence of people trading above the present threshold, but might provide valuable information on the scale of trading at various

levels below the threshold. That should help us to decide whether a special VAT registration limit for the construction industry is justified. I stress that departure from a uniform limit would result in a more complicated system for the Customs and Excise to administer and for traders to understand.

The Federation of Master Builders made a suggestion which would have allowed householders paying VAT on the upkeep of their property to claim relief from VAT on their bills against their income tax liability. This would have been a kind of schedule A relief, without a corresponding schedule A charge. The Federation of Master Builders saw this as a scheme to remove the incentive for householders to use unregistered cowboys who were not charging VAT, but, alas, I see little or no merit in practice in a scheme like this. It would cost a great deal of revenue. It would also introduce another special and administratively costly relief into the income tax structure, whereas our policy is to simplify the system.

Like any law enforcement agency, the Customs and Excise needs reliable information about the people who are evading their VAT responsibilities. There is plenty of anecdotal evidence about the scale of the black economy, but the Customs and Excise needs more hard facts about transactions where VAT is evaded. I hope that those who hear of this debate will do what they can, if they are involved in any way, to ensure that the information is provided so that the Customs and Excise can take action and the community as a whole can deal with those people — the cowboys in the black economy — who are unlawfully evading their tax liabilities.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

Written Answers to Questions

Monday 14 January 1985

ENVIRONMENT

Waltham Forest Council

Mr. Deakins asked the Secretary of State for the Environment what money will be available to Waltham Forest council in 1985-86 for home improvement and other grants for the renovation of older houses; and what were the comparable figures for 1983-84 and 1984-85.

Sir George Young: Waltham Forest council received a housing investment programme allocation of £8·270 million for 1985-86, which it can supplement with the prescribed proportion of capital receipts. The allocation for 1983-84 and 1984-85 were £8·622 million and £8·445 million respectively. Decisions on priorities as between renovation and other housing activities are for the council.

Water Pollution

Mr. Dalyell asked the Secretary of State for the Environment when he expects his working party to report on how best to make available to the public information on pollution held by water authorities and local councils.

Mr. Waldegrave: By the end of the year.

Rate Capping

Mr. Spearing asked the Secretary of State for the Environment if he will state the measures he has adopted and details of the estimates and calculations he has made together with the respective totals of resources held by each of the rate-capped local authorities in the area of Greater London.

Mr. Waldegrave: The authorities selected for rate limitation in 1985-86 have until 15 January to comment on the rate and precept limits we have proposed. My right hon. Friend will be happy to discuss the manner of calculation of the proposed limits, and any assumptions made in that calculation, in the context of negotiations about alternative limits proposed by the individual authorities.

Urban Programme

Mr. Lightbown asked the Secretary of State for the Environment what resources he is proposing to make available under the urban programme in 1985-86 to partnership and programme authorities.

Mr. Kenneth Baker: Despite the great pressure on public expenditure this year I am providing all the partnership and programme authorities with the same cash levels of resources in 1985-86 as they were allocated for 1984-85 at about this time last year. This demonstrates the Government's strong continuing commitment to improve the quality of life in the hard pressed areas of our cities. Additional resources, over and above these allocations, will be available to the authorities for approved urban development grant (UDG) schemes. The total sum being allocated to these authorities (excluding UDG and derelict land grant (DLG)) is £224 million and is made up as follows:

Partnerships	*£m*
Birmingham	24·5
Hackney	12·0
Islington	10·4
Lambeth	13·5
Liverpool	24·1
Manchester/Salford	24·5
Newcastle/Gateshead	18·0
Programme authorities	
Blackburn	3·6
Bolton	3·59
Bradford	4·58
Brent	4·5
Coventry	4·3
Hammersmith and Fulham	5·63
Kingston upon Hull	4·47
Knowsley	3·7
Leeds	4·13
Leicester	5·43
Middlesborough	4·62
Nottingham	4·85
Oldham	3·66
Rochdale	3·6
Sandwell	4·5
Sheffield	4·01
Sunderland	3·17
Tower Hamlets	4·5
North Tyneside	3·12
South Tyneside	3·93
Wandsworth	4·5
Wirral	3·67
Wolverhampton	4·84

As in previous years, allocations are made subject to the quality of the detailed programmes submitted.

House Sales

Mr. Frank Field asked the Secretary of State for the Environment if he will publish details of what steps he expects local authorities to take to follow up on the sale of houses following the gaining of house improvement grants.

Sir George Young: Local authorities are responsible for administration of the home improvement grant system. Where sales breach the grant conditions specified in section 73 of the Housing Act 1974 (as amended by the Housing Act 1980) local authorities have discretion to recover some or all of the grant paid. DOE circular 21/80 gives further advice.

Child Care

Mr. Parry asked the Secretary of State for the Environment if he will list in the *Official Report* which national child care organisations have received Government funding under partnership grants in each of the past five years to the latest date; and if he will list the amounts granted.

Sir George Young: The information which the hon. Member asks for is not readily available in the form required. Expenditure by the inner city partnerships on projects involving child care is estimated at over £9 million for 1984-85.

Local Government Reform

Mr. Shersby asked the Secretary of State for the Environment what departmental studies have been carried out on the transfer of services from the Greater London council to the London boroughs in 1986; and if he will make the maximum amount of information on the transfer available as soon as possible.

Sir George Young: My officials are discussing, with as many boroughs as are prepared to do so, plans for the smooth transfer of functions from the GLC. In addition, the Department has offered to make available to all successor authorities information obtained under section 5 of the Local Government (Interim Provisions) Act 1984.

Mr. Shersby asked the Secretary of State for the Environment what proposals he has for providing financial assistance to the London boroughs to meet the extra cost of staff engaged in the detailed planning necessary between January 1985 and March 1986 to enable the smooth transfer of responsibilities from the Greater London council; and if he has considered an adjustment of grant-related expenditure assessment for this purpose.

Sir George Young: There are no such proposals. Adequate advance planning for the proposed transfer of functions should bring its own reward to the London boroughs and their ratepayers.

London Borough of Hillingdon

Mr. Shersby asked the Secretary of State for the Environment why there is a reduction of £600,000 on factor E 18, interest receipts and contributions from the rate fund to special and capital funds, for the London borough of Hillingdon; and on what basis he has determined this reduction.

Mr. Waldegrave: This reduction in Hillingdon's E 18 GRE factor is almost entirely due to the increased negative control total for interest receipts between 1984-85 and 1985-86, as a result of higher interest rates. This is a factor affecting all authorities. In addition, there is a small effect resulting from the increased share of GRE for interest receipts assumed for outer London boroughs, as a result of using latest outturn expenditure information.

Mr. Shersby asked the Secretary of State for the Environment why the indicator for residence for the London borough of Hillingdon is reduced from £24.8437 per unit in 1984-85 to £16.75417 per unit for 1985-86.

Mr. Waldegrave: The reduction in the grant-related expenditure (GRE) weighting on Hillingdon's total resident population from 1984-85 to 1985-86 arises from the improvements which have been made to GRE methodology for 1985-86. The inclusion of extra indicators in the formulae for recreation, road maintenance and passenger transport revenue support reduces the weighting given to the total resident population of an area for all authorities.

Fluoridation

Mr. Rooker asked the Secretary of State for the Environment if he will list the water authorities which have, since the coming into force of the Water Act 1983, considered in public applications from health authorities to fluoridate the public water supply; and if he will make a statement.

Mr. Gow: I am not aware that any water authority has considered an application from a health authority to fluoridate the public water supply since the Water Act 1983 came into force.

Local Authorities (Capital Receipts)

Mr. Higgins asked the Secretary of State for the Environment if he intends to restrict local authorities spending capital receipts incuding those from council house sales received in 1985-86 from being spent in 1985-86.

Sir George Young: I refer my right hon. Friend to the statement made by my right hon. Friend the Secretary of State on 18 December 1984 at column *164*.

Public Sector Borrowing Requirement

Mr. Higgins asked the Secretary of State for the Environment what is the effect on the public sector borrowing requirement if a local authority in receipt of proceeds from a council house sale lends the money to a clearing bank; and what the effect on the public sector borrowing requirement is if it subsequently withdraws the loan.

Sir George Young: If a local authority receives money from the private sector for the sale of a council house and deposits it with a clearing bank, that reduces the public sector borrowing requirement in the year in which the sale is made. Withdrawing and spending the money increases the pubic sector borrowing requirement in the year of spending.

Lake Vyrnwy

Mr. Alex Carlile asked the Secretary of State for the Environment what sums of money were paid in each of the years 1979 to 1984 in respect of water abstracted from Lake Vyrnwy; and by whom.

Mr. Macfarlane: The major abstraction from Lake Vyrnwy is on behalf of the North West water authority. In the financial period 1979-80 to 1984-85 it has paid the following abstraction charges to Severn-Trent water authority.

Financial year	*Abstraction charge paid* £
1979-80	223,680
1980-81	268,240
1981-82	297,600
1982-83	319,040
1983-84	334,720
1984-85	348,480

Water Pollution (North-West)

Mr. Parry asked the Secretary of State for the Environment if he will make a statement on the recent pollution of the north-west water supply.

Mr. Loyden asked the Secretary of State for the Environment (1) if he will set up an inquiry into the recent discharge of pollutants into the north-west water supply; (2) if he will make a statement on the recent pollution of the north-west water supply.

Mr. Macfarlane: On Tuesday 8 January, pollution was detected in the river Dee. The North-West water

authority, and the other three water undertakers concerned (the Welsh water authority, the Wrexham and East Denbighshire water company, and the Chester waterworks company) closed their river intakes in good time to prevent any of the polluting substances from entering the public water supply. Alternative supplies were introduced, and consumers were asked to economise in the use of water, in order to conserve those resources.

The Welsh water authority quickly identified the source of the pollution, and took immediate steps to control it. The contaminating substances were identified, and their toxicological effects were assessed without delay. Throughout the incident the lessons of earlier pollution incidents were applied, and there was good liaison between the four undertakings concerned.

I am advised that analysis of the river water shows that it is now safe for the four undertakers to reopen their intakes in the river Dee, and they have now done so. I see no need to set up an inquiry.

Housing Investment Programme Allocations

Mr. Higgins asked the Secretary of State for the Environment if he will reconcile the figures in his Department's letter to local authorities, dated 20 December 1984, regarding housing investment programme allocations 1985-86 with his statement on 19 December, *Official Report*, column 306, that the overspend on council's capital programme could amount to £1 billion or more.

Mr. Patrick Jenkin: I will answer this question shortly.

Local Government Reform

Mr. Wareing asked the Secretary of State for the Environment how many copies of the leaflets, "After the GLC", and, "After the MCCs", have been printed; to whom they have been distributed; and what is the total cost of producing them.

Mr. Kenneth Baker: 5,000 copies of each of the leaflets have been printed. Copies have been sent to all Members of Parliament, the Association of Metropolitan Authorities, the London Boroughs Association, the Association of London Authorities, the press and members of the public in response to requests. The total cost of producing them was £9,600.

In response to the substantial demand for copies, from the authorities themselves and from Members of Parliament, we are printing a further 25,000 copies of "After the GLC" and 40,000 copies of "After the MCCs" at a cost of £3,400.

Water (Fluoridation) Bill

Mr. Rooker asked the Secretary of State for the Environment what recent medical research evidence he considered before introducing the Water (Fluoridation) Bill.

Mr. Kenneth Clarke [*pursuant to the reply*, 9 January 1985, c. *480*]: I have been asked to reply.

The relevant medical and scientific evidence has been considered, including that placed before Lord Jauncey in the Strathclyde court case, and subsequent studies. In particular, a comprehensive review of the epidemiological evidence has recently been completed by a working party on fluoride and cancer, chaired by Professor E. G. Knox. This report has been published today and copies are available in the Vote Office. On this basis our medical and scientific advisers have been able to give authorities advice as to the safety of fluoridation.

PRIME MINISTER

Tax Concessions

Mr. Deakins asked the Prime Minister what are the powers of and the authority for Ministers to grant extra-statutory tax concessions; and if she will make a statement.

The Prime Minister: The boards of Inland Revenue and of Customs and Excise have duties laid upon them by statute, subject to the general direction of the Treasury. The Government are considering the debate on extra-statutory concessions which took place at Report stage of the Finance Bill last year and will publish a response as soon as it is ready.

Public Employees

Mr. Ralph Howell asked the Prime Minister what was the number of persons full and part-time *(a)* in the Civil Service and *(b)* in local government in the United Kingdom in June 1979 and June 1984 and, in each case, showing the reduction of persons employed in percentage terms and numerically.

The Prime Minister: The following are the figures.

Numbers employed at mid-year

thousands

	1979	*1984*	*Reduction* *Number*	*per cent.*
Civil Service				
Full time	709	609	100	14
Part time	30	21	8	28
Local government				
Full time	1980	1880	100	5
Part time	1017	1004	13	1

Sources: Civil Service Quarterly Staff Return at 1 July each year. Joint Manpower Watch for local authorities, at 9 June 1979 and 16 June 1984.

Reductions and percentage changes are based on unrounded figures. The Northern Ireland Civil Service is excluded.

National Heritage Memorial Fund

Mr. Andrew F. Bennett asked the Prime Minister which trustees of the national heritage memorial fund have been appointed because of their professional, or former professional interest and involvement in nature conservation, scenic conservation or the promotion of public access to, and enjoyment of, the countryside.

The Prime Minister: As I indicated in my reply to the hon. Member on 4 December 1984 at column *127*, the present trustees have a wide range of experience and interest demonstrated. I am satisfied that the trustees have a sufficient knowledge of countryside matters to bring to their task.

Child Abuse

Mr. Peter Bruinvels asked the Prime Minister if she is satisfied with the co-ordination between the Home Department and the Department of Health and Social Services concerning the prevention of abuse and interference with children in care; and if she will make a statement.

The Prime Minister: The Home Secretary has recently announced his intention to review the arrangements for the disclosure of information about those who seek to work with children, and there will of course be close consultation between the Departments concerned.

Africa (Famine Relief)

Mr. Foulkes asked the Prime Minister what progress has been made in implementing the decisions of the Dublin summit regarding grain supplies to Ethiopia and other African countries.

The Prime Minister: Since the European Council in Dublin, £103·25 million has been committed from the emergency provision of the European development fund and from the 1984 Community budget for this purpose. But until member states all announce what they intend to give, the Community cannot finally determine the size and cost of its contribution. The Government have announced that they will contribute up to 110,000 tonnes.

Mr. Foulkes asked the Prime Minister if she will estimate the amount of grain pledged to African countries since September 1984 by *(a)* the United Kingdom and *(b)* the European Economic community: and, of these amounts, how much has already been transported to the recipient countries.

The Prime Minister: 33,000 tonnes of grain have been committed by the United Kingdom, 18,300 tonnes of which has been delivered. 222,988 tonnes have been committed by the European community, of which 13,000 tonnes have been delivered. In all about 106,000 tonnes have been shipped during this period including deliveries from earlier commitments.

Mr. Foulkes asked the Prime Minister what estimates are available to her regarding the amount of grain required by African countries suffering from drought in each of the coming three years.

The Prime Minister: Estimates of this kind are not available. The Government see different forecasts of the grain requirements of drought affected African countries from a variety of sources, including the UN Food and Agriculture Organisation, but none of the forecasts yet goes beyond 1985.

Civil Contingencies Unit (Coal Industry Dispute)

Mr. Gordon Brown asked the Prime Minister what liaison exists between the civil contingencies unit and the national reporting centre; and whether the civil contingencies unit has been involved in the monitoring of, or any other activities related to, the miners' strike.

The Prime Minister: I have nothing to add to my reply of 14 November 1984 to the hon. Member for Great Grimsby (Mr. Mitchell) at column *243*.

Government Boarding Allowances

Mr. Austin Mitchell asked the Prime Minister if she will publish figures broken down by Department for the cost of Government boarding allowance schemes for public servants in 1983-84; and if she will set out the circumstances for each scheme in which allowances are paid.

The Prime Minister [*pursuant to her reply*, 10 January 1985, c. *528*]: I regret that the final two paragraphs were omitted. The complete answer is as follows:

The figures requested for 1983-84 are as follows:

	£ million
Armed Forces	76·5
Diplomatic Service	5·9
British Council	1·2
Overseas Development Administration	0·7
Ministry of Defence (Civilians)	0·5
Other Departments	0·2
Total	85·0

The total differs slightly from that given in my reply to the hon. Member on 14 December 1984 at column *606* because that reply covered only the Ministry of Defence and the Diplomatic Service.

It also excludes £1·8 million from the overseas aid programme paid in boarding school allowances to British supplemented staff employed by overseas governments and organisations.

As to the circumstances in which boarding school allowances are payable I refer the hon. Member to my reply to a similar question from my hon. Friend, the Member for Cornwall, South-East (Mr. Hicks) on 31 October 1984 at columns *974-975*.

ENERGY

Coal Stocks

Mr. Skinner asked the Secretary of State for Energy if he will give details of the total amount of coal stocks held by (a) the National Coal Board and (b) power stations on 31 December 1984.

Mr. David Hunt: The latest published figures are for October 1984. At the end of that month the position was:

(a) stocks at colleries and opencast sites:
21·635 million tonnes
(b) stocks at power stations:
15·484 million tonnes

Miners (Redundancies)

Mr. Gordon Brown asked the Secretary of State for Energy what estimate he has provided to the European Commission on the numbers of miners he expects to accept redundancy in 1984, 1985, 1986 and 1987, respectively.

Mr. David Hunt: None.

NCB (Advertising and Publicity)

Mr. Skinner asked the Secretary of State for Energy what information is available to his Department about the amount of expenditure by the National Coal Board on advertising since 6 March 1984.

Mr. Barron asked the Secretary of State for Energy what information is available to him about the estimated cost to the National Coal Board of its publicity campaign to induce striking miners to return to work.

Mr. David Hunt: None. This is a matter for the National Coal Board.

Scottish Coalfields (Investment)

Mr. Gordon Brown asked the Secretary of State for Energy if he will publish the latest figures for the amount of investment in Scottish coalfields, by year, from 1978-79, with the projected figures for the coming five years.

Mr. David Hunt: Mining investment in the Scottish area of the NCB was:

Year	*£m*
1978-79	19
1979-80	22
1980-81	35
1981-82	38
1982-83	34
1983-84	31

Notes:
These figures are taken from the NCB annual report and accounts.
The 1983-84 figure includes deferred interest.

Projected figures for the coming five years are not available.

Atomic Energy

Mr. D. E. Thomas asked the Secretary of State for Energy whether the subsidiary arrangements referred to in Articles 39 and 40 of the 1977 tripartite UK/IAEA/EURATOM safeguards agreement, Cmnd. 6730, have entered into force.

Mr. Goodlad: Yes. The subsidiary arrangements came into force in August 1978.

NORTHERN IRELAND

Nurses

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many of the 41 student nurses who completed their training at the Royal Victoria hospital on 21 December 1984 have been offered permanent nurse posts *(a)* at the Royal Victoria hospital, Belfast and *(b)* elsewhere in Northern Ireland.

Mr. Chris Patten: None of the 41 student nurses has so far been offered a permanent nursing post at the Royal Victoria hospital, Belfast. Five have been offered posts elsewhere in Northern Ireland.

Child Care

Mr. Parry asked the Secretary of State for Northern Ireland if he will list in the *Official Report* the national child care organisations in the Province which have received Government funding in each of the past five years; and if he will list the amounts granted.

Mr. Chris Patten: The information is as follows. In addition to the amounts shown, the health and social services boards provide financial assistance to national child care organisations in respect of day care and residential facilities. Details of the actual amounts paid are not, however, readily available. Departments and health and social services boards also provide financial assistance to a number of other national or regional voluntary organisations, part of whose services benefit children and their parents.

	1979-80 £	*1980-81* £	*1981-82* £	*1982-83* £	*1983-84* £
Dr. Barnardo's	1,637	9,154	61,112	33,112	40,449
Down and Connor Catholic Family Welfare Society	31,720	525	72,997	61,173	48,093
National Childminding Association	1,100	1,100	1,600	1,770	2,053
National Deaf Children's Society	2,000	2,000	2,000	2,000	2,300
National Society for the Prevention of Cruelty to Children	364	89	41,700	44,125	35,393
Northern Ireland Foster Care Association	1,779	2,549	1,907	2,103	2,392
Northern Ireland Pre-school Playgroup Association	10,228	13,855	21,359	20,680	39,081
National Council of Voluntary Childcare Organisations (Northern Ireland) Group	—	—	—	—	774
Save the Children Fund	31,246	31,900	59,769	70,698	187,810
Northern Ireland Play Development Association	—	—	218	5,343	8,902

Gas Prices

Mr. A. Cecil Walker asked the Secretary of State for Northern Ireland if he will reconsider the decision to increase the price of gas in the Greater Belfast area by 8·5 per cent. in the light of current rates of inflation and the large proportion of domestic consumers in Northern Ireland who are either senior citizens or unemployed.

Dr. Boyson: The rules governing payment of a subsidy to meet the deficit incurred by the city's gas undertaking require that a price increase is implemented by the city council at least equal to increases in gas manufacturing costs. The Government subsidise the council's gas undertaking by paying its deficits annually, in arrears. For 1983-84, the deficit amounts to some £9 million, or nearly half operating costs. While the specific increase in the price of gas in the Belfast area is a matter for the Belfast city council to decide, the 8·5 per cent. increase represents the minimum necessary to enable the Government to make a payment in respect of the gas undertaking's deficit in 1983-84.

Milk

Mr. Nicholson asked the Secretary of State for Northern Ireland (1) how many litres of milk had been purchased from farmers in Northern Ireland by the Department of Agriculture, under the Government's buy out scheme by the end of 1984; and what percentage of total milk production this represents;

(2) how many farmers in Northern Ireland have yet to decide to sell their quotas to the buy-out scheme; and what percentage of total farmers who have been invited to sell their quotas this represents.

Dr. Boyson: At the end of December 1984, 165 producers were committed to the milk supplementary levy (outgoers) scheme, involving 10·75 million litres of milk — about 0·8 per cent. of the wholesale quota for 1984-85. One hundred and thirty-one farmers had yet to decide, most having been permitted to delay their decisions pending the outcome of their special case applications for extra quota allocations under the provisions of the Dairy Produce Quotas Regulations 1984. These producers represent 23 per cent. of those who were initially invited to proceed as outgoers.

EDUCATION AND SCIENCE

Photosynthesis Research

Mr. Dalyell asked the Secretary of State for Education and Science if he will make a statement on the future of photosynthesis research at the Welsh plant breeding research establishment.

Mr. Brooke: The Welsh plant breeding station is an institute of the Agricultural and Food Research Council which receives a grant-in-aid from the Department's science budget. The work on photosynthesis at the station forms part of the Agricultural and Food Research Service's co-ordinated programme of research in this area. I understand that the AFRC attaches high priority to that programme. The work at the WPBS relates to grassland and in particular to the effects of low temperature, a topic of some importance in the United Kingdom.

Music Teachers

Mr. Spearing asked the Secretary of State for Education and Science if he will give, or estimate, either the number of peripatetic specialist teachers of music in England or the full-time equivalent number in each of the years 1983 and 1984; what changes he expects in 1985; and which are the education authorities where such provision is likely to be reduced by more than 10 per cent. between 1983 and 1985.

Mr. Dunn: Information is not available in the precise form requested. However, a small inquiry into the provision of instrumental music in maintained primary and secondary schools in England was carried out by Her Majesty's inspectors in 1984. At that time there were the full-time equivalent of 3,244 instrumental music teachers, compared with 3,282 in 1980-81. Taking account of the change in pupil numbers, pupil-teacher ratios for instrumental music tuition had improved by some 5 per cent. over the same period. A large majority of local education authorities anticipated being able to maintain the present level of their instrumental tuition.

School Leavers

Mr. Leighton asked the Secretary of State for Education and Science how many school leavers there were in 1983 and 1984.

Mr. Dunn: There were 765,500 in England in the academic year 1982-83 and an estimated 751,000 in 1983-84.

Human Embryos

Mrs. Ann Winterton asked the Secretary of State for Education and Science (1) if he will give a breakdown by establishment of the numbers of occasions on which human embryos have been implanted into the wombs of other animals; how long each embryo survived; and what was the purpose of the implantation;

(2) if he will list all those establishments where research is being, or has been, undertaken involving the implantation of human embryos in the wombs of other animals;

(3) if he will list all those individuals or establishments which are currently in receipt of Government funding for research into the effect of the implantation of human embryos into wombs of other animals; how much money was paid in each case; and for what precise purpose these funds were intended.

Mr. Brooke: I am not aware of any research which is being or has been undertaken involving the implantation of human embryos into the wombs of animals.

Pupil-Teacher Ratios

Mr. Rogers asked the Secretary of State for Education and Science (1) what are the estimated pupil-teacher ratios in the maintained primary and secondary schools in the local education authorities of England for the year 1984-85;

(2) what were the pupil-teacher ratios in the maintained primary and secondary schools in the local education authorities of England in the academic years 1979-80 to 1983-84.

Mr. Dunn: The information requested is as follows. Estimates of pupil-teacher ratios for 1984-85 are not yet available.

Pupil-teacher ratios in England

January of each academic year	*Maintained primary schools*	*Maintained secondary schools*
1980	22·7	16·6
1981	22·6	16·6
1982	22·5	16·6
1983	22·3	16·5
1984	22·1	16·2

Information about pupil-teacher ratios in each local education authority for the years 1979-80 to 1982-83 is set out in DES statistical bulletins 17/80, 2/82, 13/82 and 1/84, respectively, copies of which are available in the Library. For 1983-84, I refer the hon. Member to my reply of 20 November 1984, at columns *145-47*, to my hon. Friend the Member for Leicester, East (Mr. Bruinvels).

Ethnic Minority Groups (Report)

Mr. Proctor asked the Secretary of State for Education and Science when he intends to publish the report of Lord

Swan's committee of inquiry on the education of children from ethnic minority groups; and if he will make a statement.

Mr. Dunn: I understand that the committee hopes to deliver its report to my right hon. Friend shortly. Meanwhile he has no plans to make a statement.

HOME DEPARTMENT

Coal Industry Dispute

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many police, pickets and others have been injured since 1 December during the coal mining dispute; and what is the cumulative figure since the dispute began.

Mr. Giles Shaw: In the period from 1 December to 10 January inclusive, 58 police officers were injured in incidents connected with the miners' dispute. The total number of police officers injured in the period from 13 March to 10 January inclusive was 1,305. It is not possible to say how many members of the public have been injured because not all their injuries are necessarily reported to the police.

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many people have been arrested on picket lines since 1 December; and if he will list their occupations as notified to the police.

Mr. Giles Shaw: The information available centrally is as follows:

Occupations given by persons arrested between 5 December and 8 January inclusive:

Occupation	*Number*
Miners	290
Student	1
Non-manual workers	2
Housewife	1
Unemployed	37
Not known/given	15
Total	346

Police (Pay)

Mr. Alex Carlile asked the Secretary of State for the Home Department how many police officers in England and Wales, by rank, are currently in receipt of earnings, including rent allowance, of more than £20,000 per annum.

Mr. Giles Shaw: This information is not collected centrally and could be obtained only at disproportionate cost. But if overtime is excluded, only superintendents and above normally earn more than £20,000 a year.

Mr. Alex Carlile asked the Secretary of State for the Home Department whether he has any proposals in respect of the salaries of police officers of the rank of constable.

Mr. Giles Shaw: The determination of police pay is a matter for the Police Negotiating Board, subject to the approval of the Secretary of State. The Police (Amendment) (No. 2) Regulations 1984 gave effect to the increases in police pay with effect from 1 September 1984, which were negotiated by the board last year.

Prison Rules

Mr. Alex Carlile asked the Secretary of State for the Home Department what changes were made in the prison rules during 1984; and if he has any current proposals for further changes.

Mr. Mellor: No changes were made to the prison rules during 1984. We do not at present have any immediate plans to change them.

Asbestos

Mr. Freeson asked the Secretary of State for the Home Department what submission he has received from the Society for the Prevention of Asbestosis and Industrial Diseases calling for a central unit to deal with asbestos contamination caused by fire; and what is his response.

Mr. Giles Shaw: My right hon. and learned Friend has received no such submission from the society.

Prevention of Terrorism

Mr. Parry asked the Secretary of State for the Home Department why persons arrested under the Prevention of Terrorism (Temporary Provisions) Act over the Christmas holiday period in England and Wales have been transferred to Liverpool.

Mr. Brittan: Three people arrested in other parts of the country were taken to Liverpool for questioning in connection with an investigation being conducted by the Merseyside police.

Mr. Parry asked the Secretary of State for the Home Department how many people have been detained under the provisions of the Prevention of Terrorism (Temporary Provisions) Act over the Christmas holiday period to the latest date in England and Wales; how many persons have been charged; and if he will make a statement.

Mr. Brittan: Between 24 December 1984 and 10 January 1985, 19 people were detained under the prevention of terrorism legislation in England and Wales. By 10 January, seven had been charged with criminal offences. Of these two were convicted and five were remanded in custody.

Mr. Parry asked the Secretary of State for the Home Department (1) how many persons have been arrested on Merseyside under the Prevention of Terrorism (Temporary Provisions) Act to the latest available date; how many were subsequently *(a)* charged and *(b)* convicted; and if he will make a statement;

(2) how many persons have been detained in England and Wales under the provisions of the Prevention of Terrorism (Temporary Provisions) Act to the most recent available date; and how many were *(a)* charged and *(b)* convicted.

Mr. Brittan: The available information on detentions under the Prevention of Terrorism Acts relates to the period up to 30 September 1984 and is published in Home Office Statistical Bulletin 25/84, a copy of which is in the Library of the House. Of the 458 subsequently charged throughout Great Britain, 344 had been found guilty; I will provide figures for England and Wales and for Merseyside as soon as possible.

Mr. Parry asked the Secretary of State for the Home Department what representations he has received

concerning the number of persons detained over the Christmas holiday period to date under the provisions of the Prevention of Terrorism (Temporary Provisons) Act; and if he will make a statement.

Mr. Brittan: I have received a number of telephone calls and letters from hon. Members and members of the public concerning recent detentions under the Prevention of Terrorism (Temporary Provisions) Act.

Mr. James Magis

Mr. Alex Carlile asked the Secretary of State for the Home Department if he will call for a report from the appropriate chief constable on the circumstances in which James Magis was arrested on 28 November on his arrival at Dover and was detained until he was placed on a plane to Paris on 5 December; and if he will make a statement.

Mr. Brittan: Mr. James Magis arrived at Dover on 28 November 1984 and was detained by an immigration officer for further examination under the Immigration Act 1971. Later that day he was arrested under the Prevention of Terrorism (Temporary Provisions) Act 1984 and taken to London for questioning by the police. I subsequently authorised extensions of Mr. Magis' detention of four days and then of a further day. On 5 December he was refused leave to enter the United Kingdom on my personal direction that his exclusion would be conducive to the public good. He was removed to France on the same day.

Weekend Detention

Mr. Irving asked the Secretary of State for the Home Department (1) whether his Department has made any study of the weekend detention system which operates in Australia; whether he has any plans to make this type of punishment available to magistrates; and if he will make a statement;

(2) whether he will introduce a pilot scheme of weekend detention; what facilities he has available to him for the operation of such a scheme; and if he will make a statement.

Mr. Mellor: In our consideration of intermittent custody we have taken account of experience in several overseas countries, but have made no study specifically of the systems which I understand exist in two Australian states. My right hon. and learned Friend is giving careful consideration to the responses he has received to the Green Paper published last year.

Criminal Sentencing System

Mr. Alex Carlile asked the Secretary of State for the Home Department whether he has any proposals for the reform of the criminal sentencing system in the light of the report of the Advisory Council on the Penal System "Sentences of Imprisonment: a review of maximum penalties".

Mr. Mellor: No.

National Reporting Centre

Mr. Gordon Brown asked the Secretary of State for the Home Department what he estimates to be the running costs of the national reporting centre in 1984; and who is responsible for the payment of its costs.

Mr. Giles Shaw: I will reply to the hon. Member as soon as possible.

Mr. Gordon Brown asked the Secretary of State for the Home Department if he will publish the agreement between the national reporting centre and individual chief constables.

Mr. Giles Shaw: There is no such agreement.

Mr. Gordon Brown asked the Secretary of State for the Home Department what level of manpower individual chief constables are committed to providing on request for mutual aid through the national reporting centre.

Mr. Giles Shaw: The system of providing mutual aid through the national reporting centre, and the number of officers who can be provided in response to a request for aid is an operational decision for individual chief officers and there is no set level of manpower which they are committed to providing.

Mr. Gordon Brown asked the Secretary of State for the Home Department on what basis he receives reports from the national reporting centre; and whether these reports are given daily.

Mr. Giles Shaw: The Home Secretary receives daily reports through the national reporting centre from chief officers of police in England and Wales about their operations in relation to events arising from the miners' dispute.

Winson Green Prison

Mr. Terry Davis asked the Secretary of State for the Home Department how many prisoners were held at Winson Green prison in Birmingham on 31 December 1984; how many of those prisoners were unconvicted; and how many unconvicted prisoners had been provisionally put in category A.

Mr. Mellor: The population of Birmingham prison on 31 December 1984 was 870 including 333 unconvicted prisoners, of whom five were provisionally placed in category A.

Circular Instruction 10/1976

Mr. Terry Davis asked the Secretary of State for the Home Department how many amendments to circular instruction 10/1976 were issued during 1984.

Mr. Mellor: None.

Prisoners (Information Booklet)

Mr. Terry Davis asked the Secretary of State for the Home Department when the information booklet given to each prisoner on reception was last reprinted; and whether he will put a copy in the Library.

Mr. Mellor: The information booklets issued on reception to male and female prisoners respectively have not been reprinted since their introduction in April 1983, but revised versions of both are now in the course of preparation. I have arranged for copies of the booklets to be placed in the Library of the House.

Mr. Mohammed Siddique

Mr. Terry Davis asked the Secretary of State for the Home Department how many visitors have been approved

for Mr. Mohammed Siddique who is an unconvicted prisoner on remand at Winson Green prison in Birmingham.

Mr. Mellor: Eleven.

Mr. Abdul Raja

Mr. Terry Davis asked the Secretary of State for the Home Department how many visitors have been approved for Mr. Abdul Raja who is an unconvicted prisoner on remand at Winson Green prison in Birmingham.

Mr. Mellor: Nine.

Mr. Riaz

Mr. Terry Davis asked the Secretary of State for the Home Department how many visitors have been approved for Mr. Riaz who is an unconvicted prisoner on remand at Winson Green prison in Birmingham.

Mr. Mellor: Twelve.

Unconvicted Prisoners

Mr. Terry Davis asked the Secretary of State for the Home Department how many incidents involving unconvicted prisoners who had been provisionally put in category A were reported to his Department in November.

Mr. Mellor: None.

Winson Green Prison (Prisoners' Letters)

Mr. Terry Davis asked the Secretary of State for the Home Department, pursuant to the answer of the Parliamentary Under-Secretary of State, 20 December 1984, *Official Report*, column *291*, when his noble Friend will write to the hon. Member for Birmingham, Hodge Hill.

Mr. Mellor: Inquiries are being made into the matters raised by the hon. Member and my noble Friend will write to him as soon as these have been completed.

Thames Valley Police

Dr. Glyn asked the Secretary of State for the Home Department what request he has received for an increase in the establishment of the Thames Valley police force; and if he will take into account all representations he receives about the establishment of that force before reaching a decision on that request.

Mr. Giles Shaw: The Thames Valley police authority has applied for increases of 174 police posts in the authorised establishment of the force, including seven which are currently held on a supernumerary basis. My right hon. and learned Friend is considering the applications in the light of advice from Her Majesty's Inspector of Constabulary, and he will take account of all the representations he has received.

Dr. Glyn asked the Secretary of State for the Home Department if he will call for a report from the chief constable of Thames Valley police force police as to *(a)* the cost of the Thames Valley police per 1,000 of population and *(b)* the numbers of police officers per 1,000 of population; and if he will compare the figures with the national average.

Mr. Giles Shaw: "Police Statistics 1983-84 Actuals", published by the Chartered Institute of Public Finance and Accountancy, show that the net expenditure of Thames Valley police per 1,000 population was £35,296 in the financial year 1983-84, compared with the average of £50,435 for all forces in England and Wales and £40,127 in English non-metropolitan counties. There are 1·78 police officers per 1,000 population in Thames Valley, compared with the average of 2·41 for all forces in England and Wales.

Drugs Offences

Mrs. Renée Short asked the Secretary of State for the Home Department in how many cases criminal proceedings have been brought against traffickers and smugglers of drugs in the United Kingdom in each year since 1979.

Mr. Mellor: The information requested is given in the following table. Figures for 1984 are not yet available.

Persons proceeded against for trafficking in controlled drugs by type of offence in United Kingdom*

Offence	*1979*	*1980*	*1981*	*1982*	*1983*
Unlawful production of drugs other than cannabis	21	9	24	33	17
Unlawful supply	840	1075	1249	1358	1334
Possession with intent to supply unlawfully	671	824	966	1119	1423
Unlawful import or export	1060	1293	1490	1263	1638
All trafficking offences	2359	2931	3356	3402	3937

* As the person may be proceeded against for more than one offence rows cannot be added together to produce totals.

ATTORNEY-GENERAL

Legal Aid

Mr. Alex Carlile asked the Attorney-General whether he has any proposals for extending the availability of legal aid to tribunals: and if he will make a statement.

The Attorney-General: Advice and assistance under the green form scheme is available, subject to means, to those involved in tribunal proceedings. This does not extend to representation. Legal aid or assistance by way of representation is available for proceedings before the Lands Tribunal, the Commons Commissioners, the Employment Appeal Tribunal and mental health review tribunals. There are no present plans to extend these to other tribunals.

Criminal Legal Aid

57. **Mr. Dubs** asked the Attorney-General what arrangements he has made to monitor the effects of the Legal Aid Act 1982 on the grant of criminal legal aid.

The Solicitor-General: The Lord Chancellor is concerned that he should receive accurate and prompt statistical returns from the magistrates courts on the grant and refusal of legal aid, and a more precise and simpler form of return has been introduced. The Law Society is

collecting statistics on applications made to the criminal legal aid committees, including applications for recourse after refusal of legal aid by magistrates' courts.

Residential Flats (Leasehold Reform)

58. **Mr. John Fraser** asked the Attorney-General if the Lord Chancellor will ask the Law Commission to carry out an inquiry into methods of achieving leasehold reform for residential flats.

The Solicitor-General: The Lord Chancellor has under consideration the Law Commission's report No. 127 on positive and restrictive covenants, and the Building Societies' Association proposals in its report "Leaseholds-Time for a Change?", both of which involve aspects concerning the ownership of flats. The public will be given an opportunity to comment upon the provisional conclusions on these matters before any major reform is proposed. The conclusions of the committee on the management of blocks of flats under the chairmanship of Mr. E. G. Nugee QC will also have to be taken into account. In the circumstances the separate reference to the Law Commission suggested by the hon. Member would not be desirable.

Official Referee (Waiting List)

59. **Mr. Spearing** asked the Attorney-General if he will make a statement concerning the current waiting list for cases awaiting hearing by the official referee.

The Solicitor-General: For some years the number of cases awaiting hearing by the official referees had been steadily increasing; but that trend has now been reversed. The number of cases outstanding at the end of November 1984 was 1,430, 108 fewer than at the beginning of the year. The number of official referees in London has recently been increased from four to six, and further improvement may be expected.

TRADE AND INDUSTRY

Manufacturing Industry

Mr. Deakins asked the Secretary of State for Trade and Industry what estimate his Department makes of the correlation between changes in the international competitiveness of United Kingdom manufacturing industry and changes in the balance of trade in manufactured goods.

Mr. Butcher: The international competitiveness of United Kingdom manufacturing industry reflects a wide range of factors, including both cost/price competitiveness, and "non-price" factors — design, product reliability, marketing effort, delivery performance, etc. Econometric analysis can produce estimates of the effects of changes in measured cost or price competitiveness on the volumes of United Kingdom manufactured exports and imports, but such estimates are subject to wide margins of error, and the Department has not made any of its own. Changes in the balance in value terms will be affected both by changes in volumes and by changes in export and import prices.

European Space Agency

Mr. Hill asked the Secretary of State for Trade and Industry what was the United Kingdom's contribution to the European Space Agency in 1984; what is the estimated contribution for the years 1985 to 1990; and if the United Kingdom estimate provides for co-operation and collaboration with the United States of America in the building of a space platform.

Mr. Butcher: The United Kingdom contribution to the European Space Agency (ESA) in 1984 was as follows:

	£ million
Department of Trade and Industry	58·5
Science and Engineering Research Council	10·7
Meteorological Office	5·7
TOTAL	74·9

The level of future contributions to ESA and whether definition studies should commence on a possible space platform will be matters for discussion between the Ministers of the ESA member states later this month.

Securities

Mr. Dykes asked the Secretary of State for Trade and Industry if he is satisfied with the progress being made in changing certain aspects of the United Kingdom securities industry and in the deregulation of certain activities in the United Kingdom stock exchanges.

Mr. Fletcher: I consider that the stock exchange is tackling the process of reform thoroughly and as rapidly as the significance of the changes admits. For the rest, I shall very shortly be laying a White Paper before the House.

Erasers (Swallowing Accidents)

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry what recent information he has obtained about the numbers of children receiving medical attention following swallowing accidents; and if he will publish a table showing the numbers of incidents related to categories of items swallowed, including erasers.

Mr. Fletcher: The latest figures for all age groups reported by the 20 hospitals participating in my Department's home accident surveillance system are given below. With the exception of food items almost all of these relate to children.

Objects in mouth, throat and digestive system

Article	*1983*	**1984*
Bones	583	690
Money	182	290
Fish	89	70
Meat/poultry	78	121
All toys	71	105
Fruit/vegetables	59	63
Jewellery	49	75
Nails/screws/tacks	47	52
Marbles	40	74
Bread/cakes	37	32
Sweets/chewing gum	26	53
Dressmaking pins	26	30
Ball bearings	23	43
Safety pins	21	17
Splinters	20	21
Buttons	18	22
Decorations	17	17
Drinking glass	16	12
False teeth/braces	16	17

Article	1983	*1984
Nut (edible type)	14	16
Drawing pins	14	15
Seeds	14	17
Unspecified food	14	7
Other food	13	23
Keys	12	5
Unspecified glass	11	10
Pens/pencils	10	25
Unspecified hot meals	7	15
Nuts/bolts	8	14
Balls	5	13
Batterys	8	12
Stones/pebbles	6	12
Other play/sport equipment	4	12
Sewing needles	9	10
Other articles recorded less than 10 times, including erasers	2	1
Total Accidents	1,658	2,174

* Provisional.

These data are based on a rolling sample of hospitals. Thus the year by year details may not be precisely comparable.

Food Imitations (Safety) Regulations 1985

Mr. Teddy Taylor asked the Secretary of State for Trade and Industry how many representations he has received about the draft Food Imitations (Safety) Regulations 1985; and what number of this total gave general support to the proposals.

Mr. Fletcher: Fifty two representations have been received about the draft Food Imitations (Safety) Regulations 1985, of which 39 gave general support to the proposals.

Supply of Goods and Services Act 1982

Mr. Brinton asked the Secretary of State for Trade and Industry if any further orders are to be made under section 12(4) of the Supply of Goods and Services Act 1982.

Mr. Fletcher: Yes. On 4 January I made an order that the provisions of section 13 of this Act shall not apply to the services rendered by an arbitrator in his capacity as such. It has been laid before the House today, and will come into operation on 1 March.

The order is similar to two other orders; the Supply of Services (Exclusion of Implied Terms) Order 1982, SI 1982/1771 and the Supply of Services (Exclusion of Implied Terms) Order 1983, SI 1983/902 which, respectively, disapply section 13 from the services rendered by company directors to their companies and the services rendered to a building society by a director of the society or to those rendered to an industrial or provident society by a member of its committee of management or other directing body.

The obligations (if any) which arbitrators owe to the parties to an arbitration will, in cases where the subject is not dealt with in their contract or otherwise provided for, accordingly be governed by the Common Law and not section 13 of the 1982 Act.

WALES

Secondary Quota Distribution Tribunals

Dr. Roger Thomas asked the Secretary of State for Wales whether he will enumerate the representations he has received on the results of the deliberations of secondary quota distribution tribunals.

Mr. Nicholas Edwards: Twelve.

Housing Stock

Mr. Barry Jones asked the Secretary of State for Wales what was the proportion of the Welsh housing stock which was either demolished or ceased to be used for occupation in the last 12 months for which statistics are available.

Mr. Wyn Roberts: During the year ending 30 September 1984, 0·04 per cent. of the dwelling stock was either demolished or closed due to unfitness.

House Building

Mr. Barry Jones asked the Secretary of State for Wales what action he plans to take to help Welsh local authorities which have no more land available for building new houses.

Mr. Wyn Roberts: In September 1984 the Welsh Office issued circular 47/84 "Land for Housing in Wales" advising local authorities on their responsibility to ensure that there is an adequate supply of land available for housing. The circular advised that where the supply is found to be inadequate to meet the structure plan provision for housing, authorities should consider what steps to take including expediting planning applications and allocating additional land through the preparation and adoption of local plans. The Land Authority for Wales with its powers to acquire and dispose of land for development can also play a significant role in making more housing land available.

Nursery Schools

Mr. Alex Carlile asked the Secretary of State for Wales how many nursery schools pupils there were in Wales in each of the years 1979 to 1984; and how many nursery school places were available in each of those years.

Mr. Stradling Thomas: The information is as follows:

Numbers of pupils attending maintained nursery schools in Wales

	Full-time	Part-time
1978-79	1,808	2,786
1979-80	1,702	2,624
1980-81	1,604	2,591
1981-82	1,466	2,654
1982-83	1,468	2,856
1983-84	1,463	2,962

These figures do not include pupils attending nursery classes in primary schools. Information as to the number of nursery school places is not available centrally.

Mr. Alex Carlile asked the Secretary of State for Wales if he has any proposals for the future development of pre-school and nursery education in Wales; and if he will make a statement.

Mr. Stradling Thomas: The Welsh Office will continue to provide an element of financial support to organisations which cater for pre-school children. Provision for under-fives by local education authorities in Wales is at a high level, some 85 per cent. of 3 and 4 year-olds being catered for and Government policy assumes that provision will continue at this level. Provision in any particular area, however, is for individual local education authorities to determine in the light of all the relevant circumstances.

Pupil-Teacher Ratio

Mr. Rogers asked the Secretary of State for Wales what were the pupil-teacher ratios in the maintained primary and secondary schools in the local education authorities of Wales in the academic years 1979-80 to 1983-84.

Mr. Stradling Thomas: The information is as follows:

Pupil-teacher ratios in maintained primary schools

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Clwyd	23·1	22·9	23·3	23·2	23·2
Dyfed	18·4	18·8	19·1	19·2	19·0
Gwent	22·8	22·8	22·8	22·1	22·3
Gwynedd	20·5	19·9	19·5	19·8	19·7
Mid Glamorgan	23·6	23·6	23·5	23·5	22·3
Powys	18·7	18·7	19·5	18·8	18·6
South Glamorgan	23·2	22·8	22·9	22·9	22·9
West Glamorgan	21·1	20·7	21·2	21·4	21·5

Pupil-teacher ratios in maintained secondary schools

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Clwyd	17·0	17·0	17·2	16·9	16·7
Dyfed	16·8	16·6	16·4	16·4	16·1
Gwent	16·1	16·6	16·4	16·1	15·8
Gwynedd	16·2	16·1	16·0	16·0	15·5
Mid Glamorgan	16·8	16·8	17·6	17·4	16·6
Powys	16·0	15·9	15·7	15·9	15·6
South Glamorgan	16·8	16·9	16·9	16·7	16·7
West Glamorgan	16·4	16·1	16·0	15·8	15·7

Mr. Rogers asked the Secretary of State for Wales what are the estimated pupil-teacher ratios in the maintained primary and secondary schools in the local education authorities of Wales for the year 1984-85.

Mr. Stradling Thomas: Estimated pupil-teacher ratios for 1984-85 are not available.

Education Expenditure

Mr. Rogers asked the Secretary of State for Wales what has been the expenditure by each of the local education authorities in Wales in primary and secondary schools, the expenditure to be expressed as cost per pupil, in cost and real terms, since 1979-80.

Mr. Stradling Thomas: The information is as follows:

	1979-80	*1980-81*	*1981-82*	*1982-83*	**1983-84*
		£ outturn prices			
Net recurrent institutional costs per primary pupil†					
Clwyd	416	538	631	683	727
Dyfed	464	620	700	740	728
Gwent	435	553	634	706	750
Gwynedd	414	541	642	722	715
Mid Glamorgan	440	568	632	715	788
Powys	532	665	758	816	879
South Glamorgan	421	534	593	646	682
West Glamorgan	508	626	707	763	807
		£ 1983-84 prices‡			
Clwyd	604	659	703	713	727
Dyfed	674	759	780	773	728
Gwent	632	677	705	737	750
Gwynedd	601	663	715	754	715
Mid Glamorgan	639	696	704	747	788
Powys	773	814	844	852	879
South Glamorgan	611	654	660	674	682
West Glamorgan	738	767	787	797	807
		£ outturn prices			
Net recurrent institutional costs per secondary pupil†					
Clwyd	570	724	833	904	996
Dyfed	603	752	855	911	958

	1979-80	1980-81	1981-82	1982-83	*1983-84
Gwent	606	771	878	957	1,029
Gwynedd	578	734	837	883	961
Mid Glamorgan	606	765	832	891	979
Powys	640	800	908	959	1,037
South Glamorgan	598	750	835	902	961
West Glamorgan	670	838	975	1,060	1,140
		£ 1983-84 prices‡			
Clwyd	828	887	928	944	995
Dyfed	876	921	952	951	968
Gwent	880	944	978	999	1,029
Gwynedd	840	899	932	922	961
Mid Glamorgan	880	937	926	930	979
Powys	930	980	1,011	1,001	1,037
South Glamorgan	869	918	930	942	961
West Glamorgan	973	1,026	1,086	1,107	1,140

* Provisional.
† Institutional recurrent costs exclude expenditure on school meals and milk, school transport and pupil support (e.g. maintenance awards).
‡ Cash deflated to 1983-84 prices using the GDP deflator, which measures changes in prices in the economy as a whole. Care must therefore be taken in using constant price figures derived by applying the deflator to the expenditure of an individual local education authority.

Local Authority Expenditure

Mr. Rogers asked the Secretary of State for Wales if he will give details of the capital expenditure by each of the Welsh county councils, for each of the last five years, since 1979, shown separately under the following heads: education, social services, highways and transportation, fire services, environment and economic development.

Mr. Nicholas Edwards: I shall reply to the hon. Gentleman as soon as possible.

Rate Support Grant

Mr. Rogers asked the Secretary of State for Wales what percentage of spending by *(a)* county councils and *(b)* district councils, has been met by rate support grant over the last 10 financial years.

Mr. Nicholas Edwards: Rate support grant is composed of block grant and domestic rate relief grant. Block grant is payable to individual authorities in support of their total expenditure. Domestic rate relief grant is payable to district councils, as rating authorities, in support of the total rate levied, which includes the appropriate county precept. A meaningful division of the total rate support grant is not, therefore, possible except as in the following table. Comparisons prior to the introduction of block grant in 1981-82 are not separately available for county and district councils.

Block grant as percentage total expenditure

	County councils	District councils	Domestic rate relief as percentage total expenditure
1981-82	61·2	60·7	4·2
1982-83*	64·4	62·3	2·0
1983-84	61·8	65·8	2·0
1984-85	60·4	60·5	1·9

*Domestic relief was reduced from 36p to 18½p in the £ in 1982-83.

Rates

Mr. Hooson asked the Secretary of State for Wales what is his estimate of the likely change in rate poundages at the rating authority level in 1985-86.

Mr. Nicholas Edwards: The actual level of rate poundages in 1985-86 will depend on the budget decisions of individual authorities. However, if each authority were to spend precisely at the expenditure target I have set for it in 1985-86, and were to apply, subject to reported constraints, the same amount from their reserves to reduce the rate burden as in the present financial year, the percentage change in average general rate poundages would be as set out in the following table. The estimates reflect the combined poundages of county, district and community councils.

Comparison of Rate Poundages 1984-85 and 1985-86*

Rating Authority	Average general rate poundag 1984-85 Actual (p)	1985-86 Projection (p)	Percentage Change
Alyn and Deeside	187·7	196·4	+4·6
Colwyn	194·1	204·8	+5·5
Delyn	193·4	199·8	+3·3
Glyndwr	188·2	196·1	+4·2
Rhuddlan	195·0	203·9	+4·6
Wrexham Maelor	193·2	193·2	—
Carmarthen	164·2	174·3	+6·2
Ceredigion	161·8	170·4	+5·3
Dinefwr	159·8	165·8	+3·8
Llanelli	176·3	186·4	+5·7
Preseli	165·1	169·2	+2·5
South Pembrokeshire	164·8	170·3	+3·3
Blaenau Gwent	174·0	197·5	+13·5
Islwyn	173·0	183·9	+6·3
Monmouth	168·8	188·9	+11·9
Newport	175·4	193·0	+10·0
Torfaen	187·4	189·3	+1·0
Aberconwy	179·8	188·5	+4·8
Arfon	179·1	187·7	+4·8
Dwyfor	181·1	188·8	+4·2
Meirionnydd	178·8	182·0	+1·8
Ynys Mon	177·7	183·7	+3·4
Cynon	208·5	200·3	−3·9
Merthyr Tydfil	218·5	205·4	−6·0
Ogwr	212·9	205·1	−3·6
Rhondda	206·0	207·0	+0·5
Rhymney Valley	218·4	207·5	−5·0
Taff Ely	210·9	206·1	−2·3
Brecknock	159·4	164·3	+3·1
Montgomery	151·6	161·0	+6·2
Radnor	151·9	162·6	+7·0
Cardiff	152·3	160·6	+5·5
Vale of Glamorgan	156·3	167·3	+7·1
Afan	217·3	211·1	−2·9

Rating Authority	Average general rate poundag 1984-85 Actual (p)	1985-86 Projection (p)	Percentage Change
Lliw Valley	203·3	204·4	+0·5
Neath	199·1	196·9	−1·1
Swansea	211·5	210·9	−0·3
Wales Total	182·0	187·5	+3·0

* Reflecting the combined poundages of county, district and community councils. Authorities are assumed to apply the same amount of reserves in 1985-86 as reported in their budget returns for 1984-85 provided reported figures, adjusted to take account of block grant adjustments in the present year, enable them to do so.

Unemployment Benefit

Mr. Barry Jones asked the Secretary of State for Wales what is the total amount of benefit claimed by, and in respect of, unemployed 16 and 17-year-olds in Wales.

Mr. Wyn Roberts: I have asked my right hon. Friend the Secretary of State for Social Services to reply on my behalf to the hon. Gentleman as soon as possible.

AGRICULTURE, FISHERIES AND FOOD

Milk

Mr. Hicks asked the Minister of Agriculture, Fisheries and Food when he expects to be able to confirm the amount of secondary milk quota allocations to individual milk producers and if he will make a statement.

Mr. Jopling: The work of the local panels in England and Wales was completed by the end of December apart from a very few cases where there are special problems. The tribunal has around 4,500 exceptional hardship and appeal hearings to be heard during January. By 21 January 2,710 will have been heard leaving 1,790 to be dealt with. Most of the tribunal's work will be completed by the end of January or early February. When this work is complete we shall be able to assess the total amount of secondary quota awarded and calculate any scaling down that may be necessary in the case of development awards.

Mr. Speller asked the Minister of Agriculture, Fisheries and Food if he will estimate how many litres of milk production will be available for redistribution as secondary quota if larger producers, who originally applied for the outgoers scheme, are now allowed to participate.

Mr. Jopling: I will reply to my hon. Friend as soon as possible.

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food if he will make a statement outlining the progress made by the United Kingdom and other members of the Common Market in implementing and applying the agreement on milk quotas.

Mr. Jopling: In the United Kingdom allocation of quota to special cases is continuing, with local panels having completed their work by the end of December apart from a very few cases where there are special problems. Most of the tribunal's work will be completed by the end of January or early February.

The Agriculture Commissioner told the Council on 11 December that all member states had made individual quotas known to their producers, with the exception of Luxembourg, where there are administrative difficulties, and Italy and Greece, where no levy is liable until after the end of the marketing year. The extent to which special cases and other administrative details had been completed varied considerably, but all member states still had some problems to resolve.

As my hon. Friend the Minister of State explained in reply to my hon. Friend the Member for Devon, North (Mr. Speller) on 17 December, at column 37, it became clear from the Council discussion that there were differences in the interpretation of the rules and uncertainty about the amount of levy due. While maintaining our full commitment to the supplementary levy arrangements, we therefore suspended action for the time being, as did certain other member states. In any event only Germany collected levy by the due date in mid-December.

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food if it is the policy of Her Majesty's Government to seek measures to enable milk quotas to be transferred from one producer to another and for payments to be made for such transfers.

Mr. Jopling: In the Government's view the present Community rules regarding transfer of quota are too inflexible. I have recently issued a discussion document (copies are available in the Library of the House) which considers the scope for quota transfers under the present regulations and the options for changes to the regulations. One of these options is that quotas should be freely marketable. I have sought the views of interested organisations in the farming industry and professional bodies on this document and I shall decide on our objectives in Brussels in the light of the comments I receive.

EC (Food and Wine Exports)

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what information he has on the export of food and wine by the European Economic Community to the Union of Soviet Socialist Republics and eastern Europe, respectively, in that part of 1984 for which figures are available; and what were the comparable totals for the same part of each of the previous 10 years.

Mr. Jopling: The latest available details of the European Community's trade relate to the period January to March 1984. The following table shows the value of exports of the main items of food and wine to the Soviet Union and eastern Europe (including the Soviet Union) in the January to March period for each year since 1978. Corresponding information for earlier years is not readily available.

Value of European Community exports of main food items and wine†*

January to March	Soviet Union million ECU	Eastern Europe† million ECU
1978	31·0	134·0
1979	131·1	310·2
1980	259·1	480·0
1981	536·3	850·1
1982	518·6	830·9
1983	530·7	737·4
1984	417·0	669·6

* EC9: 1978 to 1980; EC10: 1981 to 1984.
† SITC 0 + 112·12.

‡ Eastern Europe: Soviet Union, German Democratic Republic, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Albania.
‖ Excludes United Kingdom exports.
Source: Eurostat.

EC Expenditure

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what was the total amount spent by the Common Market on agriculture in 1984; what were the totals in each of the previous 10 years; and what estimate has been made of expenditure in 1985.

Mr. Jopling: The following table sets out the total expenditure by the Community on the common agricultural policy from 1975 to 1984. The 1985 budget has not yet been adopted.

	mecu
1975	4,708
1976	5,796
1977	7,122
1978	9,000
1979	10,880
1980	11,943
1981	11,742
1982	13,077
1983	16,743
1984	*19,146

* Supplementary and Amending Budget.

Wheat Prices

Mr. Ralph Howell asked the Minister of Agriculture, Fisheries and Food, pursuant to his reply to the hon. Member for Norfolk, North, *Official Report*, 14 December 1984, column *623*, if he will show the average ex-farm price of wheat in the United Kingdom for 1979, 1980, 1981, 1982, 1983 and 1984 at constant prices showing 1979 price as 100.

Mr. MacGregor: The information requested is as follows:

Index of average ex farm wheat prices, deflated by the retail prices index (1979:100)

Year	*Average*
1979	100
1980	88
1981	86
1982	83
1983	87
1984	*76

* Provisional.

EC Grain Stocks

Mr. Foulkes asked the Minister of Agriculture, Fisheries and Food what was the level of grain stocks held by the European Economic Community under the intervention policies of the common agricultural policy on 1 January 1985; and what has been the *(a)* nominal and *(b)* percentage increase in these stocks since 1 September 1984.

Mr. MacGregor: Statistics on intervention stock levels are not available for the particular dates requested.

The total amount of grain held in intervention on 4 January 1985 was 11·9 million tonnes. This represents an increase of 6·9 million tonnes, or 139 per cent., since 31 August, and of 3·1 million tonnes, or 35 per cent., over a complete year.

EC Surplus Butter

Mr. Torney asked the Minister of Agriculture, Fisheries and Food at what price he has authorised European Economic Community surplus butter to be sold in the United Kingdom.

Mr. MacGregor: The Butter (EEC Special Sale) Regulations 1984 (SI 1984 No. 1765) fix a maximum retail selling price of 42p per 250 gramme pack for butter sold from United Kingdom intervention stocks under EEC Commission Regulation No. 2956/84. In fixing the maximum price at this level, we were concerned to enable small retail outlets and those in remote areas to sell this butter without loss. We are confident, however, that most consumers will be able to buy this butter at prices significantly lower than the maximum and expect prices of between 33 and 36p to be common in supermarkets.

Intervention Stocks (Information)

Mr. Leigh asked the Minister of Agriculture, Fisheries and Food whether he will make arrangements for the regular provision of information on the levels of intervention stocks of products covered by the common agricultural policy.

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what are the present levels of surplus and intervention stores of food and wine in the European Economic Community in public and private storage, respectively; and what were the comparable totals around the same date in each of the previous 10 years.

Mr. Jopling: I have today deposited in the Libraries of both Houses of Parliament a note giving the most recent figures available on the level of stocks of agricultural products held in public intervention and private storage in the United Kingdom and the European Community as a whole. The note gives information on stock levels expressed both in terms of quantity and in days supply. I will deposit each month the most recent revised figures available.

I will publish the information for earlier years as soon as possible.

THE ARTS

National Theatre (Funding)

Mrs. Renée Short asked the Parliamentary Under-Secretary of State answering in respect of the Arts what supplementary level of funding Her Majesty's Government intend to allocate to the National Theatre in 1985.

Mr. Waldegrave: It is for the Arts Council and not for my right hon. and noble Friend to determine the level of funding of individual companies.

CIVIL SERVICE

Shortlisting Criteria

Mr. Freeson asked the Minister for the Civil Service (1) if any political criteria are used in formulating shortlists of applicants for Civil Service posts;

(2) of what organisations membership is considered to make applicants applying for Civil Service posts unsuitable for shortlisting and appointment;

(3) if any kind of political blacklist is used in formulating shortlists of applicants for Civil Service posts.

Mr. Hayhoe: I can assure the right hon. Member that political affiliation plays no part in the selection of candidates for Civil Service posts. No blacklist or political criteria are used in shortlisting applicants and membership of no organisation would exclude an applicant from consideration.

EMPLOYMENT

Community Programme

Mr. Kirkwood asked the Secretary of State for Employment what provisions are made by the Manpower Services Commission to insure equipment used in community programme schemes; what is the minimum sum insured against; and what was the capital cost of Manower Services Commission equipment lost, stolen or broken in the United Kingdom in the last year for which figures are available.

Mr. Peter Morrison: Insurance of equipment used on community programme projects is the responsibility of the sponsor or agent mounting the project and not the Manpower Services Commission. The cost can be met from the refund of project operating costs. Sponsors or agents contract with the commission that, in the event of the loss, theft or breakage of any equipment purchased with monies made available under the community programme, they will reimburse its market value. Information is not collated nationally about such reimbursements.

Trainees (Business Ventures)

Mr. Penhaligon asked the Secretary of State for Employment if he will introduce legislation to enable the Manpower Services Commission to offer bank guarantees to former trainees intent on starting up in business.

Mr. Alan Clark: I have no plans to do so. The Government's loan guarantee scheme provides access to loan finance for those, including former trainees, who wish to set up or expand a small business and who may have difficulty in securing financial backing under conventional terms.

Wages

Mr. Deakins asked the Secretary of State for Employment what has been the correlation over the past decade between the wages of women relative to those of men and the number of women in employment relative to the number of men in employment.

Mr. Alan Clark: Average weekly earnings of all full-time female employees increased from 57·2 per cent. of all full time male earnings in 1974 to 65·5 per cent. in 1984 according to the new earnings survey. In the period from June 1974 to June 1984 the ratio of full-time female employees to male employees increased from 41·2 per cent. to 42·4 per cent.

In addition a large number of women have joined the labour force on a part-time basis but it is difficult to provide comparable earnings data.

The positive correlation between full-time female relative earnings and employment can be attributed to the combined effects of equal pay legislation and the relative buoyancy of those sectors of the labour market which employ most female labour.

Mr. Deakins asked the Secretary of State for Employment which three regions of the United Kingdom have the highest levels of unemployment; and which three regions have the lowest wage rates.

Mr. Alan Clark: Unemployment rates by region are included in the monthly press notice of unemployment and vacancy figures, copies of which are available in the Library. Figures of the average gross weekly earnings of full-time adult employees working a full week in each of the regions of the United Kingdom in April 1983 are given in tables 8.7 and 8.8 of "Regional Trends 1984", a copy of which is also available in the Library.

Visual Display Units

Dr. Roger Thomas asked the Secretary of State for Employment (1) if he will introduce legislation to provide that pregnant women employed to use visual display units be given alternative work should such a request be made;

(2) if he will introduce legislation limiting the hours per shift a person is exposed to visual display units to a maximum of four.

Mr. Peter Bottomley: I have no plans to introduce such legislation.

Women (Earnings)

Mr. Deakins asked the Secretary of State for Employment if he has any statistical evidence relating the employment prospects of women in the United Kingdom to their levels of earnings relative to men.

Mr. Alan Clark: The relationship between earnings of women relative to men and their employment prospects is difficult to evaluate as allowance must be made for such factors as the structure of employment demand, available labour supply, and the effects of legislation such as the Equal Pay and Sex Discrimination Acts.

A recent analysis of the topic which tried to take these factors into account suggested that a 1 per cent. increase in female earnings relative to male earnings would reduce the demand for relative female employment by between 3·1 per cent. and 3·8 per cent. ("The Effect of Britain's Anti-Discriminatory Legislation on Relative Pay and Employment" by A. Zabalza and Z. Tzannatos. Centre for Labour Economics, Discussion Paper No. 155, May 1983, a copy of which is available in the Library).

Labour Statistics

Mr. Leighton asked the Secretary of State for Employment how many of the current unemployed have never held a job *(a)* in the London borough of Newham and *(b)* in the United Kingdom.

Mr. Alan Clark: Information on claimants who have been unemployed since leaving full-time education, by jobcentre area and for the United Kingdom, is available in the Library.

Mr. Thurnham asked the Secretary of State for Employment if he will amend the formula whereby the

figures for employed and unemployed are calculated monthly, by including in the numerator and the denominator those categorised as self-employed.

Mr. Alan Clark: I do not propose to change the formula as suggested. Since people who have been self-employed in the tax year relevant to a claim are not entitled to unemployment benefits, the denominator would have a wider coverage than the numerator in using the figures of claimant unemployed for calculating unemployment rates. Moreover, figures on the self-employed are only infrequently available at local level from population censuses.

Mr. Sheerman asked the Secretary of State for Employment what was the average wage of *(a)* 16 to 17-year-old women and men, *(b)* 18 to 20-year-old women and men, *(c)* over 21-year-old women and men in 1979 and in 1984; what was the percentage rise over the period; what was the unemployment figure for each group in 1979 and 1984; and what was the percentage rise over the period.

Mr. Peter Bottomley: The information from the new earnings survey in April each year is as follows:

Average gross weekly earnings (£) of full-time employees in Great Britain whose pay was unaffected by absence

Age	Males			Females		
	1979	*1984*	*per cent. increase*	*1979*	*1984*	*per cent. increase*
Under 18	40·3	63·3	57·1	36·6	58·6	60·1
18-20	61·9	101·0	63·2	48·7	82·3	69·0
21 & over	101·4	181·6	79·1	65·3	121·2	85·6

The information on unemployment by sex for the under 18, 18 to 19 and 20 or over age groups is available in the Library. However, direct comparison of the figures for 1979 and 1984 in the form of a percentage increase is not possible because of the change in the basis of the unemployment count in October 1982.

Wages and Labour Costs

Mr. Foulkes asked the Secretary of State for Employment what has been the yearly increase in *(a)* real wages and *(b)* real labour costs per employee in each of the last 10 years for which figures are available in (i) each member state of the EEC and (ii) the United States of America.

Mr. Peter Bottomley: The available information relates to manufacturing industry. Yearly increases in real hourly earnings in manufacturing are contained in table 9.2 of 'OECD Economic Outlook: Historical Statistics 1960-82' (Organisation for Economic Co-operation and Development, Paris 1984), a copy of which is in the Library. The latest information on total hourly labour costs is shown in the following table:

*"Real" Total hourly Labour Costs (Adults): Annual increases (Per cent.)**

	Belgium	*Denmark*	*France*	*Germany (FR)*	*Italy*	*Netherlands*	*Great Britain*	*USA*
1972	11·7	5·8	6·3	5·3	6·7	n/a	6·9	4·0
1973	9·2	8·8	9·5	6·4	12·7	9·4	3·8	3·3
1974	8·2	5·5	6·8	6·8	6·3	8·9	6·3	−3·0
1975	8·2	6·6	6·6	4·1	9·1	5·3	2·8	1·5
1976	4·9	2·9	5·7	4·1	1·3	2·4	−1·7	3·4
1977	4·2	−1·0	4·7	5·6	6·2	2·6	−4·9	2·6
1978	3·1	−0·4	3·5	4·1	4·2	3·5	8·2	1·7
1979	3·3	n/a	1·4	2·1	−1·1	0·5	4·5	2·1
1980	2·5	−0·6	0·9	1·9	−3·1	1·1	1·0	−3·8
1981	1·9	−2·2	0·9	−0·2	2·7	−2·2	−0·2	0·3

Source: 'Wages and total labour costs for workers—international survey 1971-81' (Swedish Employers' Confederation, Stockholm 1984), and 'OECD Economic Outlook: Historical Statistics 1960-82' (OECD, Paris 1984).
Note:
* The estimates are produced as follows: increases in total labour costs, converted to national currency, are derived from the first source quoted above. To give 'real' figures, these are then compared with the increases in each country's consumer price index, taken from the second source (table 8.11). (For Great Britain, the United Kingdom Retail Prices Index is used).

Apprenticeship Training Schemes

Mr. Irving asked the Secretary of State for Employment what consideration he has given to ways of providing greater encouragement to industry to expand apprenticeship training schemes for young people with particular regard to high technology jobs; whether he has any proposals to put to Parliament on this matter; and if he will make a statement.

Mr. Peter Morrison: I shall reply to my hon. Friend as soon as possible.

Wages Councils

Mr. Gregory asked the Secretary of State for Employment how much wages councils cost to administer in 1982, 1983 and 1984; and if he will make an estimate of the cost in 1985.

Mr. Peter Bottomley: The cost of administering wages councils, including the cost of the wages inspectorate, for each of the past three years is as follows:

	£ million
1981-82	4·067
1982-83	3·839
1983-84	4·029

The estimated cost for the current financial year is around £4·25 million.

Mr. Gregory asked the Secretary of State for Employment how much the Licensed Residential Establishment and Licensed Restaurant Wages Council cost to administer in 1982, 1983 and 1984; and if he will make an estimate of the cost in 1985.

Mr. Peter Bottomley: Information on the administration costs of individual wages councils is not available.

Youth Training

Mr. Freud asked the Secretary of State for Employment how many young people entered mode A youth training places in 1983-84; and, of these, how many and what proportion left the scheme early *(a)* to enter full-time employment, *(b)* to change to another youth training scheme, *(c)* to go into full or part-time education and *(d)* to become registered as unemployed; and if he will provide a regional breakdown of these figures for (i) East Anglia and (ii) Cambridgeshire.

Mr. Peter Morrison: Between 1 April 1983 and 31 March 1984, there were 244,725 entrants to mode A youth training schemes. The comparable figures for East Anglia and Cambridgeshire are 7,804 and 2,094 respectively. Information on how many entrants had left the scheme early and what their subsequent destinations were is not available.

A sample survey of leavers between 1 April and 31 July last year in nine areas of the country, indicated that 56 per cent. were in full-time work (and a further 2 per cent. were in part-time work), 4 per cent. were on another youth training scheme, 2 per cent. were in full-time education or training and 34 per cent. were unemployed at the time of the survey (or these, 7 per cent. were intending to go into full-time education or training). The majority (64 per cent.) of leavers covered by this survey had left the scheme early.

Mr. Freud asked the Secretary of State for Employment (1) what is the amount paid under mode A youth training schemes for vacated places in 1984-85; how much this amount was in 1983-84; and what is the percentage difference between the two years;

(2) whether he has any plans to review the cut in the amount payable to operators of mode A youth training schemes as vacated places allowances made for 1984-85; and when he will announce the figures for 1985-86;

(3) what estimates were made by his Department of the effects upon operators of mode A youth training schemes of the cut in the sum paid as vacated places allowance;

(4) what representations he has received concerning the reduction in the amount paid to operators of mode A youth training schemes for vacated places.

Mr. Peter Morrison: The compensation made available for vacated places in 1983-84 was a discretionary payment subject to a maximum claim of £12 per week per place. Any compensation offered was on the basis of managing agent's demonstrable committed expenditure in respect of a vacated place. In many cases, the determination of the level of claim involved managing agents in time consuming and complex accounting procedures.

In order to simplify the arrangements, it was decided that the compensation made available for vacated places in 1984-85 should be at a flat rate of £8·50 per week per place, subject to a declaration from an agent that inescapable costs exist in respect of a vacated place. In determining this level of compensation due regard was given to average national figures.

The new approach has been generally welcomed by participants in the youth training scheme and to date I have received very few representations commenting adversely on the new arrangements.

I have no plans to review the level of compensation for the 1985-86 year of the youth training scheme.

Mr. Wainwright asked the Secretary of State for Employment what is the estimated annual cost of the youth training scheme; and what proportion of this is fixed overhead cost unaffected by duration of training.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Mr. Gordon Brown asked the Secretary of State for Employment how many young people left youth training schemes before the completion of their first year training in *(a)* the first six months of 1984 and *(b)* the second six months of 1984.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Skillcentres (Instructors)

Mr. Wareing asked the Secretary of State for Employment how many skilled instructors have been made redundant from skillcentres since 3 May 1979; how many are currently expected to be made redundant; what savings he expects will be achieved; and if he will make a statement.

Mr. Peter Morrison: The Manpower Services Commission holds no central record of compulsory redundancies amongst skillcentre instructors but as far as is known there have been no compulsory redundancies since 3 May 1979. In 1984, 154 instructors left skillcentres under the pre-redundancy arrangements of the model redundancy agreement. Of these 73 volunteered for retirement and a further 81 were required to retire at age 64.

The skillcentre training agency's proposals for the future development of the skillcentre network are designed to end the need for a subvention from the taxpayer forecast at £12 million for 1985-86. The Manpower Services Commission first considered these proposals on 13 December and will consider them again at its meeting on 24 January.

Some 1,050 staff would be affected by the proposals. but, in consultation with the trade unions concerned, STA management intend to effect the reduction with as little hardship as possible. Compulsory redundancy would only be considered after all other measures (redeployment,

voluntary early retirement and compulsory retirement at aged 60 and over) had been exhausted. It is expected to be necessary for only a minority of staff.

Abbeystead Pumping Station

Mr. Rooker asked the Secretary of State for Employment when he expects to receive the report of the inspectors following the explosion at the Abbeystead pumping station.

Mr. Peter Bottomley: The chairman of the Health and Safety Commission has advised me that the commission expects to consider very soon the report, which it requested from the Health and Safety Executive, and we await its advice.

Unemployed Persons

Mr. Sheerman asked the Secretary of State for Employment what percentage of unemployed persons have been out of work for a year or more and are aged *(a)* under 25 years, *(b)* over 25 years, *(c)* 25 to 44 years and *(d)* over 45 years; of the latter sub-groups, what percentage are: (i) male and (ii) female; of the latter sub-groups, what percentage are *(x)* married, *(y)* single, widowed, separated or divorced; of the latter sub-groupings, what percentage (1) have dependent children of 0 to 15 years and (2) do not have dependent children of 0 to 15 years; of all sub-groupings, what percentages are *(aa)* unskilled or semi-skilled manual workers, *(bb)* are not unskilled or semi-skilled manual workers; and of all sub-groups, what percentage have (A) an employed spouse, (B) an unemployed spouse and (C) an economically inactive spouse.

Mr. Alan Clark [*pursuant to his reply,* 9 January 1985, c. *463-4*]: The latest information, from provisional results of the 1983 labour force survey, is available from the following table. Information on the economic activity of the spouses of unemployed people is not available in the form requested.

Unemployed persons by age, sex and marital status, Great Britain 1983

thousands

	Under 25	*25 and over*	*25-44*	*45 and over*	*All ages*
Married Males					
Total unemployed	101	827	475	352	928
Persons unemployed for 1 year or more	53	439	248	190	491
Persons unemployed for 1 year or more with at least 1 dependent child aged under 16	42	266	210	55	307
Of which previously: Unskilled or semi-skilled manual workers	13	71	57	14	84
Professional non-manual or skilled manual workers	14	100	80	19	114
Armed Forces, occupation inadequately described	15	95	72	22	110
Persons unemployed for 1 year or more with no dependent children	11	173	38	135	184
Of which previously: Unskilled or semi-skilled manual workers	3	42	10	32	45
Professional non-manual or skilled manual workers	3	81	16	65	84
Armed Forces, occupation inadequately described	4	50	12	38	55
Non-married Males					
Total unemployed	611	312	204	108	923
Persons unemployed for 1 year or more	248	180	114	67	428
Persons unemployed for 1 year or more with at least 1 dependent child aged under 16	95	14	12	2	109
Of which previously: Unskilled or semi-skilled manual workers	21	3	3	—	24
Professional non-manual or skilled manual workers	15	4	3	1	19
Armed Forces, occupation inadequately described	59	7	6	1	66
Persons unemployed for 1 year or more with no dependent children	153	166	102	64	319
Of which previously: Unskilled or semi-skilled manual workers	42	45	28	16	87
Professional non-manual or skilled manual workers	33	44	25	19	77
Armed Forces, occupation inadequately described	78	78	49	29	156
Married Females					
Total unemployed	89	421	305	115	510
Persons unemployed for 1 year or more	20	130	83	47	151
Persons unemployed for 1 year or more with at least 1 dependent child aged under 16	8	68	59	9	75
Of which previously: Unskilled or semi-skilled manual workers	3	12	11	1	14
Professional non-manual or skilled manual workers	2	17	15	2	19

	Under 25	25 and over	25-44	45 and over	All ages
Armed Forces, occupation inadequately described	3	39	33	6	42
Persons unemployed for 1 year or more with no dependent children	13	63	24	38	75
Of which previously: Unskilled or semi-skilled manual workers	2	15	6	9	17
Professional non-manual or skilled manual workers	6	23	9	14	29
Armed Forces, occupation inadequately described	5	25	10	15	30
Non-married Females					
Total unemployed	389	188	116	72	577
Persons unemployed for 1 year or more	118	93	52	40	210
Persons unemployed for 1 year or more with at least 1 dependent child aged under 16	51	23	18	5	74
Of which previously: Unskilled or semi-skilled manual workers	7	4	3	1	11
Professional non-manual or skilled manual workers	10	6	5	1	16
Armed Forces, occupation inadequately described	33	14	10	4	47
Persons unemployed for 1 year or more with no dependent children	67	69	34	35	136
Of which previously: Unskilled or semi-skilled manual workers	14	14	7	7	29
Professional non-manual or skilled manual workers	15	17	10	7	33
Armed Forces, occupation inadequately described	37	38	17	21	75
All Persons					
Total unemployed	1,191	1,747	1,100	647	2,939
Persons unemployed for 1 year or more	438	842	498	344	1,281
Persons unemployed for 1 year or more with at least 1 dependent child aged under 16	195	371	299	72	566
Of which previously: Unskilled or semi-skilled manual workers	44	89	75	15	134
Professional non-manual or skilled manual workers	41	127	103	24	167
Armed Forces, occupation inadequately described	110	155	122	33	265
Persons unemployed for 1 year or more with no dependent children	243	471	199	273	715
Of which previously: Unskilled or semi-skilled manual workers	61	116	51	65	177
Professional non-manual or skilled manual workers	57	165	60	105	223
Armed Forces, occupation inadequately described	125	190	87	103	315

Source: 1983 Labour Force Survey.

OVERSEAS DEVELOPMENT

Namibia

Sir John Osborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will give details of (a) the specific English language training assistance provided by the British Council to Namibians inside the territory in the last five financial years and (b) the estimated number of Namibians who have benefited from this training.

Mr. Raison: Our programme of assistance for Namibians resident within the territory has been administered not by the British Council but by the British embassy in Pretoria. It began in 1983-84, when one English language training award was made. Three further awards have been made this year.

Ethiopia

63. **Mr. Andrew F. Bennett** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about aid to Ethiopia.

Mr. Raison: In response to the worsening famine our assistance has been concentrated on emergency relief. The cost of our help for Ethiopia over the two-year period ending last October was £15·5 million. Of this £7·8 million was contributed through the European Community. Since then we have committed about £14 million which will benefit directly those suffering from the drought in Ethiopia. Of this £3·7 million is going through the Community.

Philippines

67. **Mr. Parry** asked the Secretary of State for Foreign and Commonwealth Affairs what is the amount of aid given by Her Majesty's Government to the Philippines in each of the past five years.

Mr. Raison: The total over the past five years, including CDC investments, was £12,133,000. Following are the figures for each year. The total gross disbursements of United Kingdom bilateral aid to the Philippines including CDC investments in each of the calendar years 1979 to 1983 were:

Year	£000's
1979	764
1980	3161
1981	3323
1982	1171
1983	3714

FOREIGN AND COMMONWEALTH AFFAIRS

United Nations Institute for Namibia

69. **Sir John Osborn** asked the Secretary of State for Foreign and Commonwealth Affairs whether the United Nations Institute for Namibia is recognised by the Government as a legal agency of the United Nations.

Mr. Rifkind: The United Nations Institute for Namibia was established by the United Nations Council for Namibia with the agreement of the United Nations General Assembly. Although we do not recognise the council's claim to be the administering authority of Namibia we accept that in other respects it is a subsidiary organ of the United Nations General Assembly. We regard its establishment of UNIN as proper. We have supported UNIN's work as benefiting a future independent Namibia.

Post Closures

Mr. Bowen Wells asked the Secretary of State for Foreign and Commonwealth Affairs what will be the total savings achieved in the financial year 1985-86 and 1986-87 of the closure of posts announced on 18 December 1984.

Mr. Renton: Estimated savings are at least £600,000 in 1985-86 and at least £1·1 million in 1986-87 compared with what costs would otherwise have been in those years. The lower figure for 1985-86 is due to end of service payments to locally-engaged staff, expenditure on termination of leases and other winding-up costs.

Itinerants (Ireland)

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Republic of Ireland regarding the level of provision of facilities for itinerants.

Mr. Renton: None.

Namibia

Sir John Osborn asked the Secretary of State for Foreign and Commonwealth Affairs (1) whether Namibia can achieve internationally recognised independence only on the basis of United Nations Security Council resolution 435;

(2) whether all the terms of United Nations Security Council resolution 435 remain relevant to Namibia; and whether this resolution will be redrafted to take into account recent developments in South Africa.

Mr. Rifkind: We remain committed to United Nations Security Council Resolution 435, which is the internationally agreed basis for a Namibia settlement. It continues to command the support of all the parties concerned, including South Africa. It would be for all these parties to consider, and agree on, any changes.

NATIONAL FINANCE

CAP Budget

Mr. Deakins asked the Chancellor of the Exchequer if he will ask the European Economic Community Council of Finance Ministers to consider proposed common agricultural policy expenditure in the light of the financial guidelines on budget discipline and to make appropriate recommendations to the Council of Foreign Ministers before the common agricultural policy budget is finally approved.

Mr. Ian Stewart: The Council's recent conclusions on budget discipline provide that the Council of Finance Ministers will each year at the beginning of the budgetary procedure set a maximum level of expenditure (known as the reference framework) for the following financial year. This will include provision for CAP expenditure consistent with the financial guideline (ie. that the growth rate of market support expenditure will be less than the rate of growth in the own resources base).

The Commission has undertaken to draw up its proposals for agricultural prices in the light of the financial guideline. These proposals will be discussed in the Agriculture Council in the normal way. But a final decision may be referred to a special joint Council of Finance and Agriculture Ministers, if in the Commission's opinion the Council of Agriculture Ministers seems likely to take decisions whose cost would exceed that of the original proposals of the Commission. Decisions on budgetary provision will continue to be taken by the Budget Council.

Civil Service (Bonuses)

Mr. Deakins asked the Chancellor of the Exchequer if the experimental scheme for bonuses related to performance in the Civil Service is in addition to incremental scales; and if he intends that any new system should replace incremental scales.

Mr. Hayhoe: The experimental scheme for bonuses related to performance in the Civil Service, which I announced on 5 December 1984 at columns *192-193*, is intended to provide an additional incentive to good performance. If a bonus is paid, it will be a lump sum addition to salary. The experimental scheme will have no effect upon the present system of incremental scales, where these are paid: of the grades covered by the scheme grades 3 and 4 do not receive annual increments and the majority of staff below these levels are paid the scale maxima. Practical experience of performance-related pay is needed before any long-term decisions about it can be made.

Exchange Rate

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his estimate of the exchange rate between the pound sterling and the deutschmark which would correspond to the purchasing power parity, as defined by the Organisation for Economic Co-operation and Development; and how much it differs from the current market rate.

Mr. Ian Stewart: The Government do not make such calculations. Estimates prepared for the OECD are

contained in its December 1984 Working Paper No. 17 (Real Gross Product in OECD Countries and Associated Purchasing Power Parities), copies of which are available through the House of Commons Library.

Inflation

Mr. Austin Mitchell asked the Chancellor of the Exchequer what is his estimate for the rate of inflation for 1984-85.

Mr. Peter Rees: For the first eight months of financial year 1984-85, the average rate of retail price inflation has been 4·9 per cent. I expect the figure for the financial year as a whole to be close to this.

£1 Notes and Coins

Mr. Peter Bruinvels asked the Chancellor of the Exchequer if he will estimate the number of *(a)* £1 notes and *(b)* £1 coins currently in circulation.

Mr. Ian Stewart: Approximately 601 million £1 notes and 203 million £1 coins.

European Community (Budget)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what was the total net sum contributed to the Common Market in 1984; and what were the comparable totals in each of the previous 10 years.

Mr. Ian Stewart: I refer my hon. Friend to the answer I gave him on 24 October at column *605* concerning the United Kingdom's contributions for the years before 1984. Comparable figures for 1984 will not be available until the December financial returns are finalised.

Mr. Teddy Taylor asked the Chancellor of the Exchequer what will be the increase in the gross contributions to the Common Market which the United Kingdom will be required to make in the event of the resources of that body being increased along the lines proposed by the Council of Ministers.

Mr. Ian Stewart: I shall let my hon. Friend have a reply as soon as possible.

Heroin

Mrs. Renée Short asked the Chancellor of the Exchequer if he will list the kilogram quantities of heroin which have been seized by Customs and Excise officers in each year since 1979.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

Council House Sales

Mr. Higgins asked the Chancellor of the Exchequer if he will compare the figures for public expenditure and the public sector borrowing requirement in each year since the policy of council house sales was introduced, with figures showing what public expenditure and the public sector borrowing requirement would have been from such sales and other local authority capital receipts if the proceeds had been spent in the year in which they were received.

Mr. Lawson: Detailed information is not available about the amount of capital receipts unspent by local authorities in individual years. It is therefore not possible to make this comparison.

£1 Note

Mr. Peter Bruinvels asked the Chancellor of the Exchequer whether he has any views on the possibility of some clearing banks producing their own £1 notes.

Mr. Ian Stewart [*pursuant to his reply*, 9 January 1985, c. *486*]: As I said in my reply on 26 November to my hon. Friend the Member for Bedfordshire, North (Mr. Skeet) at column *377* there are no plans to alter the provisions relating to private bank note issue.

TRANSPORT

British Rail (Track Servicing)

5. **Mr. Flannery** asked the Secretary of State for Transport how much is spent on track servicing by British Rail; and what proportion of the network is serviced each year.

Mr. David Mitchell: In 1983, British Rail spent £492 million on track maintenance. Every year, the entire rail network is surveyed by BR's engineering staff and the work is done where it judges it necessary.

A1 (Safety)

14. **Mr. Leigh** asked the Secretary of State for Transport if he will make a statement on improving safety on the A1.

Mrs. Chalker: The A1 generally has a better than average safety record. But the 12 major schemes, either under construction or in preparation and listed in the last roads White Paper will all contribute materially to improving safety, as will the many smaller schemes also in hand. A number of other possible schemes are under consideration.

National Bus Company

15. **Mr. Gregory** asked the Secretary of State for Transport what provisions he intends to make for local managers and employees of the National Bus Company to purchase a stake in their company in his proposals for its denationalisation.

Mr. Ridley: As I informed the House on 30 November at columns 609-10, one of the objectives I intend to set for the National Bus Company is to offer managers and other employees opportunities to acquire the whole or at least a stake in the undertakings for which they work. We shall include any necessary provisions in the Bill which we hope to introduce shortly.

Buses (Safety)

16. **Mr. O'Brien** asked the Secretary of State for Transport if he will introduce legislation stipulating, on safety grounds, a maximum age for buses; and if he will make a statement.

Mr. David Mitchell: It is for the Department's vehicle examiners to determine whether buses are safe. There is no evidence to suggest that buses over 10 years old, for example, are inherently less safe than those with shorter lives.

Highlands and Islands Airports

17. **Mr. Wallace** asked the Secretary of State for Transport how many offers have been received for the purchase of the Highlands and Islands airports.

Mr. Michael Spicer: Six proposals have been received and are currently being evaluated by the CAA in consultation with my Department and the Scottish Office.

Concessionary Fares

18. **Mr. Pike** asked the Secretary of State for Transport if he will introduce measures to protect existing concessionary bus fares in his forthcoming legislation on buses.

Mr. David Mitchell: We propose no change to the power of local authorities to decide what level of travel concessions they wish to provide.

Severn Crossing

19. **Mr. Roy Hughes** asked the Secretary of State for Transport if he will make a statement about the progress of the feasibility study on the proposed second Severn crossing.

Mrs. Chalker: I expect to be in a position to make a statement within the next month.

Rail Passenger Services (Timekeeping)

20. **Mr. Powley** asked the Secretary of State for Transport whether he will ask the chairman of British Rail what steps are being taken to improve timekeeping on passenger services.

Mr. David Mitchell: My right hon. Friend has already set British Rail very clear objectives emphasising the need for reliable attractive and punctual services. Within the overall framework set by these objectives it is for the British Railways Board to decide what punctuality targets may be appropriate for particular groups of services and how best to achieve those targets. It has started to do so.

Concessionary Fares

21. **Mr. Wareing** asked the Secretary of State for Transport on what basis funding for concessionary fares will be calculated.

Mrs. Chalker: The reimbursement of operators for concessionary fare schemes should properly reflect the costs. We are considering guidance on ways to achieve this.

Stansted-Heathrow (Inquiry)

22. **Mr. Colvin** asked the Secretary of State for Transport what action he intends taking following publication of the inspector's report on the planning inquiry on Stansted/terminal 5-Heathrow.

Mr. Michael Spicer: My right hon. Friend announced on 21 November that Parliament would have an opportunity to debate airports policy in the light of the inspector's report. Following the debate, decisions on the planning applications will be taken under normal planning procedures.

Vehicle Exhaust Pollution

23. **Mr. Chope** asked the Secretary of State for Transport what action the Government intend to take in 1985 to reduce the pollution from vehicle exhausts.

Mrs. Chalker: Pollution from vehicles is controlled by European Community standards.

Regulations reducing the maximum lead content of petrol from 0·4 grammes per litre to 0·15 grammes per litre —the lowest level for leaded petrol permitted under the relevant directive—will come into force at the end of this year.

We have recently accepted the provisions for Directive 83/351/EEC, which contains the latest Community standards for gaseous emissions for cars. Discussions are now taking place in Europe on lower emission limits both for cars and diesel engined vehicles and we are seeking the lowest limits that can be achieved at reasonable cost by the use of advanced, fuel-efficient technologies.

New Road Construction

24. **Mr. Knox** asked the Secretary of State for Transport how much has been spent on new road construction in each of the past three years at constant prices.

Mrs. Chalker: At average 1982-83 prices, expenditure on new construction of motorways and trunk roads in England was £444 million in 1981-82, £530 million in 1982-83 and £501 million in 1983-84. The planned level of spending in 1984-85 is £552 million. The corresponding figures for local authority roads are £326 million, £406 million and £399 million (provisional). For 1984-85 the planned level is £463 million.

Motorway Construction (Midlands)

25. **Mr. John Mark Taylor** asked the Secretary of State for Transport if he will make a statement about progress with motorway construction in the midlands.

Mrs. Chalker: Progress on the M42 Bromsgrove and Tamworth sections, which are the motorway schemes in the midlands currently under construction, is well under way. These sections are due to be fully completed in the summer of 1986.

Buses (White Paper)

26. **Mr. Tony Lloyd** asked the Secretary of State for Transport how many representations he has received on the buses White Paper, Cmnd. 9300; how many of these were favourable; and how many unfavourable.

32. **Mr. Weetch** asked the Secretary of State for Transport what recent representations he has received about the effect on rural bus services of his White Paper on buses.

40. **Mr. Strang** asked the Secretary of State for Transport what further representations he has received on the buses White Paper; and if he will make a statement.

Mr. David Mitchell: I refer the hon. Gentlemen to the reply my right hon. Friend gave to the hon. Members for Tyne Bridge (Mr. Cowans), for Liverpool, Riverside (Mr. Parry) and for Gower (Mr. Wardell) earlier today.

Motor Insurance (EC Directive)

27. **Mr. Chapman** asked the Secretary of State for Transport if he will make a statement about consultations and progress on implementing the European Community directive on motor insurance.

Mrs. Chalker: My Department issued a consultation document last October, inviting comments by 31 December on the implications of giving effect to the directive. We are now considering the responses.

British Airways

28. **Mr. Alfred Morris** asked the Secretary of State for Transport what income he expects from the sale of British Airways.

Mr. Ridley: The Government's income from the sale of British Airways will depend on a number of uncertain factors, including the timing of the offer and the price of the shares as a result of the market's judgment of the company's value. It would not be right for me to venture an estimate of the proceeds in advance of the flotation.

Scottish Lowlands Airport (Policy Review)

29. **Mr. Foulkes** asked the Secretary of State for Transport if he has reached a conclusion on the Scottish Lowland airports policy review.

Mr. Michael Spicer: No. I have undertaken to the Scottish Affairs Committee that no final decision will be reached until my right hon. Friends and I have considered the report of the inquiry which they are conducting.

Taxis (Seat Belts)

30. **Mr. Janner** asked the Secretary of State for Transport whether he will introduce legislation to require rear seat belts to be installed for the protection of passengers in taxi cabs, minicabs, hire cars and in cars for hire or rental, respectively.

Mrs. Chalker: As I have made clear to hon. Members before, no decision will be taken on the fitting of rear seat belts until the Select Committee on Transport has made its report. We have no plans to single out hire cars and taxis for special treatment.

Regional Airports

11. **Mr. Thurnham** asked the Secretary of State for Transport if he has had recent consultations about the expansion of profitable regional airports.

Mr. Michael Spicer: We have had consultations with a number of regional airports about their development plans. I am engaged in a programme of visits to most of the major regional airports over the next two or three months. I recently announced new capital expenditure allocations for the expansion of a number of regional airports.

Road Construction (Investment)

31. **Mr. Robert B. Jones** asked the Secretary of State for Transport what is the level of planned investment for 1985-86 in trunk road and motorway construction.

Mrs. Chalker: Planned capital expenditure in 1985-86 on the trunk road and motorway programme in England is £742 million; £598 million of this is for new construction and £144 million for capital maintenance.

Bus Deregulation

33. **Mr. Stott** asked the Secretary of State for Transport what other countries have implemented a system of bus deregulation similar to that proposed in the buses White Paper.

Mr. David Mitchell: Several countries successfully allow substantial competition between bus operators, and some developed countries have recently liberated their licensing systems to a considerable degree. As far as I am aware, no country has abolished quantity regulation of local bus services in the precise way we propose.

Channel Link

34. **Mr. Jessel** asked the Secretary of State for Transport whether, in his discussions with French Ministers about the Channel link, any potential schemes have been eliminated.

Mr. David Mitchell: No.

Motorways (Speed Limits)

35. **Mr. Meadowcroft** asked the Secretary of State for Transport if he now has any plans to introduce legislation making the hazard advisory speed limits on motorways obligatory.

38. **Mr. Roger King** asked the Secretary of State for Transport if he now has any proposals to make motorway advisory speed limits mandatory.

Mrs. Chalker: I am considering this possibility as part of my overall consideration of ways of improving motorway safety in bad weather conditions in the aftermath of the recent multiple accident on the M25. I shall make a statement as soon as possible.

Sealink

36. **Mr. Stephen Ross** asked the Secretary of State for Transport what assurances were sought during the negotiations on the sale of Sealink that through booking of services between rail and ferry would be preserved.

Mr. David Mitchell: As part of the sale agreement with the British Railways Board, the purchaser undertook to enter into contracts which included provision for through-ticketing, subject to agreement being reached on the accounting arrangements for payments due.

Concessionary Fares

37. **Mr. Gerald Bowden** asked the Secretary of State for Transport what plans he has to amend the rules concerning concessionary bus fares.

Mr. David Mitchell: Outside London we intend to ensure that participation in concessionary fare schemes is open to all local operators and that reimbursement reflects the true costs of the concession given. We have no proposals for any change in the provisions on concessionary fares included in the London Regional Transport Act 1984.

Bus Maintenance (Safety Record)

39. **Mr. Hayes** asked the Secretary of State for Transport how the safety record regarding bus maintenance compares between the private and public bus operators.

Mr. David Mitchell: The maintenance of all buses is important and my Department keeps a close watch on their operating standards in both the public and private sectors.

The effectiveness of bus maintenance is monitored (i) by the condition of the vehicles at their annual test; and (ii) by their condition at random spot checks.

As the following figures show, the initial pass rates in the annual test — that is, excluding passes following immediate rectification of faults — show no significant difference between private and public sector operators. Statistics of spot checks are not at present broken down by operator groups; this will be done in future.

I have no evidence that private sector vehicles are more prone to maintenance related accidents than other PSVs.

Pass rates at PSV annual test by operator group 1983-84

Operator	*Number of Vehicles Tested*	*Initial Pass Rate Percentage*
NBC	14,173	60
PTE	9,247	49
Local Authority	5,168	67
Private	28,634	56
London Transport	4,965	47
Scottish Bus Group	3,105	67
TOTAL	65,292	57

Road Passenger Vehicles (Safety)

41. **Mr. Loyden** asked the Secretary of State for Transport if he intends to review the safety standards of road passenger vehicles.

Mr. David Mitchell: We have no plans for a special review, but several new vehicle standards are being developed and we are continually looking at ways in which road passenger vehicles can be made more safe. We will, of course, look carefully at any recommendations on this that the Select Committee on Transport may make following its inquiry into road safety.

East Anglia (Rail Services)

42. **Mr. Yeo** asked the Secretary of State for Transport if, at his next meeting with the chairman of British Rail, he will discuss the standard of rail services to East Anglia.

Mr. David Mitchell: I am aware of my hon. Friend's concern about this matter and I will draw it to the attention of the chairman of the British Railways Board.

Airports Policy

43. **Mr. McCrindle** asked the Secretary of State for Transport, how many representations on airports policy he has received since the publication of the inspector's report on 10 December.

Mr. Michael Spicer: My right hon. Friend has received 63 written representations on airports policy arising out of the publication of the inspector's report on 10 December.

Drink-Driving Campaign

44. **Mr. Peter Bruinvels** asked the Secretary of State for Transport how effective was his Department's campaign to minimise drunken driving over the Christmas and new year period.

Mrs. Chalker: It is still much too soon to make any assessment. The campaign was part of our continuing effort to educate young people about the dangers of drinking and driving and its achievements in this respect cannot be easily measured in the short term.

Bus Deregulation

45. **Mr. Freud** asked the Secretary of State for Transport what proportion of the current amount of subsidy to bus operators now represented by cross-subsidy will be paid for by his Department following deregulation of the bus service.

Mr. David Mitchell: I am sure that operators will themselves continue to provide a great deal of cross-subsidy for commercial purposes. Where non-commercial cross-subsidy is withdrawn, I expect that loss to be offset by reductions in the industry's costs, brought about both by the presence of competition on commercial routes and by the process of tendering for contracts to run subsidised services. We have announced extra transitional support for rural bus services, starting at £20 million in the first year, to help stimulate new services and to provide support in case the benefits of competition in rural areas take time to work through.

Concessionary Fares

46. **Mr. Eastham** asked the Secretary of State for Transport whether he intends to introduce a token system for concessionary fares following implementation of the buses White Paper.

Mr. David Mitchell: No. It will be for individual authorities to decide the type of scheme they want.

Channel Tunnel

47. **Dr. Marek** asked the Secretary of State for Transport if he will take steps to ensure that a Channel tunnel is built with the minimum of delay.

Mr. David Mitchell: As agreed by my right hon. Friend the Prime Minister and the French President at their summit meeting on 29 November, a joint official working group is now working urgently to prepare guidance for prospective promoters of any form of cross-Channel fixed link. Thereafter it will be for potential promoters to put forward specific proposals which take account of the working group's report for the two Governments' consideration.

Stansted Airport

48. **Mr. Adley** asked the Secretary of State for Transport if, when making his decision on Stansted, he will bear in mind the conclusions of the decision on Maplin.

Mr. Michael Spicer: My right hon. Friends the Secretaries of State for Transport and for the Environment will take every relevant factor into consideration in reaching a decision.

Heathrow (Air Transport Movements)

49. **Mr. Gerald Howarth** asked the Secretary of State for Transport what repesentations he has received concerning the Government's proposal to limit the number of air transport movements at Heathrow to 275,000 per annum.

Mr. Michael Spicer: Over 130 organisations and individuals responded to the consultation document issued by my Department in July 1984 on how the proposed limit on air transport movements at Heathrow might be implemented. I have also received a further 160 letters about the limit.

British Airways

50. **Mr. Snape** asked the Secretary of State for Transport what effect he expects the sale of British Airways to have on competition between airlines.

Mr. Michael Spicer: Privatisation will remove from British Airways both the restrictions and the protection of state ownership so that it competes on a more equal footing with independent airlines in the United Kingdom.

Coal Industry Dispute

51. **Mr. Ray Powell** asked the Secretary of State for Transport what representations he has received concerning contraventions of the Road Traffic Act by firms transporting coal and coke from Port Talbot to Llanwern on the M4 motorway.

Mrs. Chalker: The licensing authority for the south Wales traffic area received a letter from the Transport and General Workers' Union and took appropriate action.

National Bus Company

52. **Mr. John Hunt** asked the Secretary of State for Transport if he will seek an early meeting with the chairman of the National Bus Company in order to impress upon him the importance of replying promptly to letters from hon. Members of this House.

Mr. David Mitchell: No, but I will draw his attention to my hon. Friend's parliamentary question.

A13 (Statistics)

Dr. Michael Clark asked the Secretary of State for Transport how many people travelled daily from south-east Essex to London via the A13 in the latest year for which figures are available; and how this compares with five years earlier.

Mrs. Chalker: Data on the number of people travelling daily from south east Essex to London via the A13 are not collected by my Department.

However, the following estimates of annual average daily flow on the A13—both directions combined—for 1983 are readily available:

	Number
Pedal cycles	200
Two-wheeled motor vehicles	1,000
Cars and taxis	21,000
Buses and coaches	400
Other goods vehicles	3,000
All motor vehicles	28,000

Bus Industry

Mr. Caborn asked the Secretary of State for Transport to which services the Parliamentary Under-Secretary of State for Transport, the hon. Member for Hampshire, North-West (Mr. Mitchell) was referring when he said to the Association of Transport Co-ordinating Officers on 29 November 1984 that the Government were going to set the bus industry free to provide the full range of services people wanted.

Mr. David Mitchell: I was referring to services whose provision is now inhibited by the need to obtain a road service licence.

Stoke-on-Trent (Trunk Roads)

Mr. Ashley asked the Secretary of State for Transport what are the reasons for the delay in dealing with the problems arising from trunk road traffic through Stoke-on-Trent; when he plans to make a decision; and if he will expedite the preparation of the required data.

Mr. Ridley: We are currently re-examining the various options for dealing with the trunk road traffic in this corridor in order to determine the best solution. To do this we need the latest available traffic information and this is unavoidably taking a little while to assemble and analyse, although I appreciate the concern locally for an early decision. As my hon. Friend promised the representatives of Staffordshire county council and Stoke city council when she met them last July, as soon as this information is available she will be arranging a further meeting with them before deciding how to proceed. I anticipate now that this will be some time in the spring.

Motorways (Accidents)

Mr. Peter Bruinvels asked the Secretary of State for Transport what is the cost of a night-time fatality on *(a)* an unlit part of a motorway and *(b)* a lit part of a motorway; and what is the cost of a day-time fatality on a motorway.

Mrs. Chalker: The estimated costs per motorway fatal accident in 1983 were £205,730 — daylight — and £179,990—darkness. Separate estimates for night-time accidents on lit and unlit motorway sections are not available.

Tolls

Mr. Peter Bruinvels asked the Secretary of State for Transport whether he has considered recently dispensing with tolls on all estuarial routes.

Mrs. Chalker: I have nothing to add to my reply to my hon. Friend the Member for Wirral, South (Mr. Porter) on 24 October 1983, at column *37*, and my right hon. Friend's reply to my hon. Friend the Member for Fife, North-East (Mr. Henderson) on 14 February 1984 at column *113*. Estuarial tolls could not be dispensed with without suitable arrangements to repay outstanding debts of more than £500 million and to provide for future running costs.

Drinking and Driving

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will introduce legislation to ban drinking and driving.

Mrs. Chalker: The current legislation has been in force for under two years and it is sensible to give it a fair trial before considering possible changes.

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will consider initiating a campaign throughout the year to deter motorists from drinking and driving.

Mrs. Chalker: A continuous programme of major publicity would be very expensive and not necessarily effective. Although our main campaigns have taken place over Christmas and new year period, their aim has been to encourage a responsible attitude to drinking and driving at all times of the year.

I shall be considering the case for taking action over a longer period or at different times of the year as part of our continuing effort to educate people about the grave dangers of drinking and driving.

"Stay Low" Campaign

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will make a statement on the lessons learnt from the recent "Stay Low" campaign.

Mrs. Chalker: I shall be considering both the effect of the campaign, when detailed information is available, and the wider circumstances surrounding it, as soon as possible.

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will make a statement as to the results of the recent "Stay Low" campaign; and whether he was satisfied with the publicity surrounding it.

Mrs. Chalker: It is still too soon to make any assessment of the results of the campaign. I believe that the publicity which the campaign prompted can be taken as a welcome sign of increasing public awareness of the problem of drinking and driving, although I regret the concentration on the slogan rather than upon the campaign as a whole.

Articulated Heavy Lorries

Mr. Speed asked the Secretary of State for Transport what change has occurred to the accident rate for articulated heavy lorries over the past three years.

Mrs. Chalker: The information is as follows:

Articulated heavy goods vehicles: accidents per hundred million vehicle kilometres; 1981 to 1983 Great Britain.

	Number
1981	58·0
1982	69·2
1983	63·0

Three-wheeled Vehicles

Mr. Hawksley asked the Secretary of State for Transport if he will introduce measures to restrict the driving of battery powered three-wheel vehicles on the public highway.

Mrs. Chalker: The construction and use of such vehicles is controlled by road traffic legislation. The recently introduced Sinclair vehicle satisfies the requirements in the Electrically Assisted Pedal Cycles Regulations 1983, and may therefore be driven on public roads—except motorways—by anybody of 14 or more.

A6 (Barton Bypass)

Mr. John Carlisle asked the Secretary of State for Transport when he expects to announce the preferred route of the A6 Barton bypass.

Mrs. Chalker: I hope it will be possible to announce the preferred route in the very near future.

M40 (Extension)

Mr. Maude asked the Secretary of State for Transport how many copies of the inspector's report on the public inquiries into the M40 extension were distributed by his Department; and how many copies were accompanied by copies of the assessor's report.

Mrs. Chalker: A total of 91 copies of the full inspector's report, including those placed in the Library, were distributed at the time of the announcement of the decision of the Secretaries of State following the public inquiries. Of these, 29 copies were put on deposit for public inspection and in the case of the nine major deposit points a copy of the assessor's report was also made available for inspection. Following the announcement, a further 15 copies of the inspector's report, and 10 copies of the assessor's report, have been sent to people, on request.

Copies of the section of the inspector's report containing his findings of fact, conclusions and recommendations accompanied the decision letter which was sent to the over 1,600 people who took part in the inquiry or separately represented their interest.

Mr. Maude asked the Secretary of State for Transport what was the estimated cost of widening the M1 contained in his Department's evidence to the public inquiry into the M40 extension; and how this figure compares with the estimate contained in his Department's evidence to the public inquiry into the A1-M1 link road.

Mrs. Chalker: At the M40 public inquiries, the estimated capital cost of widening that part of the M1 which the M40 will relieve was given in the Department's evidence as £300 million. This was based on the actual cost of widening the M1 between junctions 5 and 8. The figure of £42 million stated in evidence by the Department at the public inquiries into the M1-A1 link was for widening the much shorter length of the M1 which would be affected by that scheme—that is, between junctions 16 and 17—was calculated on the same basis.

Mr. Maude asked the Secretary of State for Transport why those copies of the inspector's report of the public inquiries into the M40 extension placed by him in the Library were not accompanied by copies of the assessor's report, which is listed as an appendix to the inspector's report; and if he will now place copies of the assessor's report in the Library.

Mrs. Chalker: It is the exception rather than the rule that copies of inspectors' reports in major highway proposals are placed in the Library. Appendices to such reports are usually only placed at specified deposit points.

However, in view of the interest, copies of the assessor's report to the inspector who held the M40 inquiry have been placed in the Library.

British Rail (Diesel Multiple Units)

Mr. Chapman asked the Secretary of State for Transport when he expects to reach a decision on British Rail's proposal for investment in a further build of new diesel multiple units.

Mr. David Mitchell: I have today written to the chairman of the British Railways Board giving approval for the board's proposal to invest about £60 million in the construction of 240 new medium-weight diesel multiple units, or "sprinters".

M65 (Blackburn)

Mr. Straw asked the Secretary of State for Transport what progress is being made by his Department's consultant in respect of the route of the Blackburn to M6/M61 section of the M65 motorway.

Mrs. Chalker: Messrs. Howard Humphreys and Partners are carrying out the investigation necessary for them to produce the detailed report required by next autumn.

SCOTLAND

Pupils (Statistics)

Mr. Henderson asked the Secretary of State for Scotland what is the number of pupils currently in primary, secondary, further education and in total for each Scottish education authority.

Mr. Allan Stewart: The numbers of pupils in education authority primary, secondary and special schools and colleges of further education, at the latest available date, are given in the following tables.

Table 1

Pupils in education authority schools at September 1983

	Primary	*Secondary*	*Special*	*Total*
Borders	8,353	7,417	172	15,942
Central	24,897	21,479	388	46,764
Dumfries/Galloway	12,480	11,569	176	24,225
Fife	31,388	26,194	631	58,213
Grampian	43,827	35,366	1,105	80,298
Highland	19,460	15,958	413	35,831
Lothian	58,327	48,981	1,578	108,886
Strathclyde	208,934	189,219	4,735	402,888
Tayside	32,757	28,131	642	61,530
Orkney	1,910	1,464	13	3,387
Shetland	2,478	1,797	12	4,287
Western Isles	3,198	2,793	36	6,027
All Scotland	448,009	390,368	9,901	848,278

Table 2

Pupils in education authority further education colleges 1983-84 session

	Advanced			*Non-advanced*		
	Full-time	*Part-time*	*Total*	*Full-time*	*Part-time*	*Total*
Borders	11	232	243	553	2,126	2,679
Central	456	1,601	2,057	963	6,484	7,447
Dumfries/Galloway	68	182	250	796	2,338	3,134
Fife	642	3,527	4,169	2,055	8,774	10,829
Grampian	789	1,877	2,666	2,157	13,059	15,216
Highland	110	519	629	931	4,114	5,045
Lothian	4,028	4,551	8,579	4,016	22,182	26,198
Strathclyde	6,602	14,108	20,710	11,197	58,285	69,482
Tayside	690	1,214	1,904	2,519	8,597	11,116
Orkney	—	—	—	46	279	325
Shetland	—	4	4	44	286	330
Western Isles	43	20	63	156	617	773
All Scotland	13,439	27,835	41,274	25,433	127,141	152,574

Mallaig (Road Improvements)

Mr. Johnston asked the Secretary of State for Scotland what is the proposed date of completion of the new trunk road entering Mallaig; and when the road improvements to continue the double width road from Lochailort to Mallaig are expected to be completed.

Mr. Ancram: The scheme for the new trunk road entering Mallaig will be ready to start towards the end of 1985 if outstanding objections can be resolved. Depending on site and weather conditions, construction may take up to two years to complete. The preparation of schemes to improve the remainder of the road from Mallaig to Lochailort is continuing.

Child Care

Mr. Parry asked the Secretary of State for Scotland if he will list in the *Official Report* the national child care organisations in Scotland which have received Government funding in each of the past five years to the latest date; and if he will list the amounts granted.

Mr. John MacKay: The information requested is set out in the table. The figures include assistance for organisations' general activities and support for training. They do not include funding under the urban aid programme.

	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £
Dr. Barnardo's	49,274	28,296	44,843	94,612	103,294
Family Care	13,269	29,646	40,571	18,103	25,631
Quarriers Homes	15,712	24,765	17,096	38,578	51,307
National Catholic Social Care	27,771	13,454	26,823	20,718	18,765
Aberlour Child Care Trust	124	791	3,239	3,256	6,618
National Playbus Association	—	—	3,600	4,056	4,779
National Childminding Association	1,000	1,000	2,000	2,200	2,300
Play Matters (formerly Toy Libraries Association)	3,000	3,000	3,000	3,000	3,000
Scottish Association of Voluntary and Child Care Organisations	8,865	13,121	10,776	10,555	—
Scottish Child and Family Alliance	—	—	—	—	13,163
Royal Scottish Society for the Prevention of Cruelty to Children	70,714	95,475	115,022	124,686	129,435
Scottish Pre-school Playgroups Association	67,847	67,171	80,023	86,075	101,562
British Agencies for Adoption and Fostering	9,000	9,000	24,000	27,000	28,000
National Foster Care Association	3,000	4,000	4,000	5,500	6,000
National Association of Welfare of Children in Hospital	502	1,095	1,090	1,190	1,200

Prevention of Terrorism Act

Mr. Parry asked the Secretary of State for Scotland how many persons were detained under the provisions of the Prevention of Terrorism Act over the Christmas holiday period to the latest date in Scotland; how many persons were charged; and if he will make a statement.

Mr. Ancram: In the period 24 December 1984 to 10 January 1985, both dates inclusive, three persons were detained by the police in Scotland under the Prevention of Terrorism legislation. No charges were brought, but one of those detained was subsequently the subject of an exclusion order, made by my right hon. and learned Friend the Secretary of State for the Home Department, which prohibits that person from being in, or entering Great Britain.

Labour Statistics

Mr. Gordon Brown asked the Secretary of State for Scotland how many *(a)* male and *(b)* female employees were in full-time employment in Scotland at the most recent date for which figures are available; and how this figure compared with one year previously and with figures for May 1979.

Mr. Allan Stewart: Information in the precise form requested is not available. However, the estimates of female employees in full-time employment in June 1979, 1983 and 1984 are 566,000, 498,000 and 501,000 respectively; all females in employment at the same dates are 898,000, 865,000 and 889,000. The estimates for all males in employment at these dates are 1,209,000, 1,073,000 and 1,064,000 respectively: at September 1981, 95 per cent. of the estimated number of all male employees were in full-time employment. The estimates for 1983 and 1984 are provisional.

Hospital Waiting Lists

Mr. Gordon Brown asked the Secretary of State for Scotland what is his most up to date figure for the numbers of patients on Health Service waiting lists; and how this compares with the numbers for one, two, three and five years previously.

Mr. John MacKay: I refer the hon. Member to the answer which I gave to the hon. Member for Fife, Central (Mr. Hamilton) on 5 December 1984.

Grey Seals

Mr. Soames asked the Secretary of State for Scotland what is his latest assessment of the grey seal population in and around Orkney.

Mr. John MacKay: The latest estimate from the sea mammal research unit of the Natural Environment Research Council is that there were about 21,000 grey seals in the breeding colonies in and around Orkney at January 1983.

Mr. Soames asked the Secretary of State for Scotland what steps he has taken to control the grey seal population in and around Orkney.

Mr. John MacKay: My right hon. Friend is considering the views expressed by conservation and fishery organisations on the need for grey seal management and hopes to reach a decision on this shortly.

Mr. Soames asked the Secretary of State for Scotland what recommendations he has received as to the advisable population of grey seals in and around Orkney.

Mr. John MacKay: No such recommendations have been received. On the general question whether there is a need to control grey seal populations I refer my hon. Friend to the answer I gave to the hon. Member for Londonderry, East (Mr. Ross) of 26 June 1984.

Forestry

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in 1982-83 and 1983-84 the Forestry Commission issued felling licences which permitted the clear-felling of broadleaved woodlands for conversion to agricultural land and how many hectares of woodland this totalled in each case.

Mr. John MacKay [*pursuant to his reply*, 19 December 1984, c. 255]: The information is as follows:

Year ended 31 March	*Number of Licences issued*	*Area of Woodland (hectares)*
1983	102	414
1984	126	438

This represented a rate of loss of broadleaved woodland to agriculture of 0·06 per cent. a year.

In the nine month period 1 April 1984 to 31 December 1984 the figures were:

Number of Licences issued	*Area of Woodland (hectares)*
22	66

The recent substantial drop in the numbers of such cases is in large part a reflection of the presumption operated by the Forestry Commission against the conversion of broadleaved woodland sites to agricultural use.

Mr. Ron Davies asked the Secretary of State for Scotland on how many occasions in 1982-83 and 1983-84 the Forestry Commission issued felling licences which permitted felling of broadleaved woods, without there being conditions attached for the replanting solely of broadleaved trees; and how many hectares of woodland this totalled in each year.

Mr. John MacKay [*pursuant to his reply*, 19 December 1984, c. *255*]: The information is as follows:

Year ended 31 March	*Number of licences issued*	*Area of woodland (hectares)*
1983	278	811
1984	269	749

A significant proportion of these cases involved replanting with a mixture of conifers and broadleaves, designed to lead eventually to woodlands of a predominantly broadleaved character. Only 23 licences covering some 65 hectares were issued during these two years which provided for replanting solely with conifers.

In the nine month period 1 April 1984 to 31 December 1984 the figures were:

Number of licences issued	*Area of woodland (hectares)*
86	221

of which only one licence covering 0·8 hectares provided for replanting solely with conifers.

The recent substantial drop in the number of cases is in large part a reflection of the presumption operated by the Forestry Commission against the conversion of broadleaved woodland sites to agriculture or to coniferous woodland.

Coal Industry Dispute

Mr. Foulkes asked the Secretary of State for Scotland how many cases arising from the miners' strike have now been dealt with in *(a)* district and *(b)* magistrates' courts; and if he will specify the names of the courts.

Mr. Ancram [*pursuant to this reply*, 3 December 1984 c. *43*]: I understand that six cases arising from the miners' strike have now been dealt with in the district courts; three cases at Kilmarnock, two at Ayr and one at Haddington. No cases have been taken before stipendiary magistrates.

SOCIAL SERVICES

Westminster Hospital

Mr. Pavitt asked the Secretary of State for Social Services what is the present balance of funds accumulated by gift or endowment and remaining at the disposal of Westminster hospital.

Mr. Kenneth Clarke: The annual accounts of the special trustees for the Westminster and Roehampton hospitals for 1983-84 submitted to our Department show a balance of funds of £3,512,437·78 as at 31 March 1984.

Mr. Pavitt asked the Secretary of State for Social Services if he will list in the *Official Report* the number and names of wards and beds which have been closed since 1979, together with the specialties which have been transferred or terminated at Westminster hospital; and if he will make a statement.

Mr. Kenneth Clarke: We do not collect the sort of detailed local information centrally which would be required to answer fully the hon. Member's question. However, information available indicates that there has been no change in the range of specialties at the Westminster hospital since 1979, and that over the period 1979-1983 the average daily number of available beds at the hospital rose from 339 to 405, and the number of in-patient cases rose from 11,386 to 14,850.

The hon. Member may wish to seek further information from the chairman of the Victoria health authority.

Social Security Payments

Mr. Ralph Howell asked the Secretary of State for Social Services what is the cost of social security payments in the United Kingdom per head of the working population for 1983-84; and what is the proportion spent on administrative costs.

Mr. Whitney: The cost of social security payments in the United Kingdom was nearly £1,350 per head of the working population in 1983-84, about 4·5 per cent. of this being the cost of administration.

Mobility Allowance

Mr. Alfred Morris asked the Secretary of State for Social Services if he will publish in the *Official Report* the letter sent to the Minister for the Disabled on 15 December by the chairman of the Joint Committee for the Disabled about increases in the mobility allowance and in motoring costs from 1978 to 1984, together with his reply.

Mr. Newton: The letters are as follows:

I enclose a printout detailing the cost of motoring from 1978 to 1984 and the value of the mobility allowance over the same year.

As you will see, the "index" value of MobA (1978 = 100) has risen—as you rightly stated at the DIG/MENCAP conference—to 200 in 1984. According to our calculations, however, the "index" of motoring costs has risen from 100 to 206 over the same period. The motoring costs are all based on a selection of the AA cost items and, as you will also see, the value of the mobility allowance kept up well with the cost of motoring until April 1982. Since then the cost has gone ahead of the value of the mobility allowance.

We trust that this trend will be handsomely reversed at the next uprating.

Peter Large

Thank you for your letter of 15 December enclosing a comparison of the increases in mobility allowance and motoring costs from 1978 to 1984.

Whilst I note the results of this comparison, I must point out that the rate of mobility allowance has never been related directly to the expenses of running a car. The allowance is intended to be a contribution towards the additional costs which severely disabled people incur in getting out and about but there is no requirement to have the use of a motor vehicle. Indeed an important part of the purpose of moving from the provision of

vehicles to the payment of a cash allowance was to extend help to those unable to use a vehicle of their own; and beneficiaries can spend the money in any way they wish.

Under the provisions of the Social Security Act 1975, the Secretary of State for Social Services is required to consider each year whether the rate of mobility allowance should be increased having regard to the national economic situation as a whole, the general standard of living, any changes in taxation which directly affect the cost of motoring for persons in receipt of mobility allowance and such other matters as he thinks relevant. he is also required to lay a statement before Parliament setting out his conclusions and the reasons for them.

Mobility allowance has received very favourable treatment under this Government. The increase to £20 a week from last November means that it has risen 100 per cent. in cash terms since July 1978. This compares with an increase in the Retail Prices Index of 81·1 per cent. over the same period, and an increase in the Transport and Vehicles Group Index (which covers motoring costs, petrol and oil, motor insurance, fares and rail transport) of 82·8 per cent.

We have also made the allowance more effective by taking it out of income tax, by extending VAT relief and introducing car tax relief in respect of motor vehicles designed or adapted for disabled people, and by removing VAT on cars provided under the Motability scheme.

I hope that this explanation shows that, on the broader comparisons which I have outlined, mobility allowance, far from losing its value, has been increased significantly in real terms under this Government. I cannot, as you will appreciate, anticipate decisions on the amount of the up-rating next November.

Tony Newton

Joint committee on mobility for the disabled
Motoring costs and MobA 1978-84

	1978 April	*1979 April*	*1979 June*	*1980 April*	*1981 April*	*1982 April*	*1983 April*	*1984 April*
Standing charges (£)								
Insurance	134·80	155·00	155·00	185·40	228·40	239·85	241·20	255·70
Depreciation	341·26	392·59	418·03	480·96	505·37	601·66	653·60	697·56
Subscription	11·50	12·50	12·50	15·00	17·50	30·00	33·00	35·00
Total	487·56	560·09	585·53	681·36	751·27	871·51	927·80	988·26
Cost/mile in pence (10,000 miles)	4·8756	5·6009	5·8553	6·8136	7·5127	8·7151	9·278	9·8826
Running costs/mile (pence)								
Petrol	2·247	2·737	3·169	3·857	4·286	4·619	4·738	4·929
Oil	0·149	0·171	0·171	0·234	0·285	0·301	0·313	0·327
Tyres	0·315	0·334	0·356	0·423	0·457	0·528	0·516	0·573
Servicing	0·499	0·566	0·603	0·526	0·589	0·642	0·604	0·656
Repairs and replacements	1·813	2·085	2·22	2·533	2·837	3·092	3·732	4·053
Total	5·023	5·893	6·519	7·573	8·454	9·182	9·903	10·538
Total cost/mile (pence)								
Standing charges	4·8756	5·6009	5·8553	6·8136	7·5127	8·7151	9·278	9·8826
Running charges	5·023	5·893	6·519	7·573	8·454	9·182	9·903	10·538
Total	9·8986	11·4939	12·3743	14·3866	15·9667	17·8971	19·181	20·4206
MobA rate (£) *	10	12	12	14·5	16·5	18·3	19	20
Index (charges) (£)	100	116·1164	125·0106	145·3397	161·3026	180·8044	193·7749	206·2979
Index (MobA rate) †	100	120	120	145	165	183	190	200

* Index of the cost of motoring with 1978=100.
† Index of the mobility allowance, 1978=100.

The costs have been taken from AA schedule of estimated standing and running costs for a car with an engine capacity of 1,001-1,500 cc.
The car licence and garage/parking have been omitted because disabled motorists in receipt of the mobility allowance are exempted from such charges.
The charges for interest on capital have also been omitted as this is a somewhat controversial item and not one that would directly affect many disabled people.

Mr. Alex Carlile asked the Secretary of State for Social Services if he has any proposals for relaxing the requirements to be met by applicants for mobility allowance; and if he will make a statement.

Mr. Newton: We have no such proposals.

Under-16-year-olds (Contraceptive Pill)

Mr. Peter Bruinvels asked the Secretary of State for Social Services what representations he has received to date concerning his decision to appeal to the House of Lords in the Gillick case.

Mr. Kenneth Clarke: To date we have received letters from three hon. Members and 11 members of the public opposing our decision to appeal to the House of Lords and from two hon. Members and four members of the public in support of our decision.

Children in Care

Mr. Peter Bruinvels asked the Secretary of State for Social Services whether he will consider issuing revised guidelines to ensure that proper references are taken from the police, probation service and any other interested parties prior to the employment of any social workers, child officers and child minders for children in care.

Mr. John Patten: My right hon. and learned Friend the Secretary of State for the Home Department has recently announced his intention to review the arrangements for the disclosure of information to prospective employers about

any relevant criminal background of persons seeking to work with children. Pending the outcome of that review we propose to remind local authorities and voluntary organisations of the need to satisfy themselves about the suitability of persons appointed to work in the child care field and of the consultancy service which the Department provides to assist them in this matter.

Warnock Report

Mr. Peter Bruinvels asked the Secretary of State for Social Services how Her Majesty's Government now intend to proceed in consequence of the Warnock committee report.

Mr. Kenneth Clarke: The Government are considering the public and parliamentary response to this report and the need for any legislation on the subject matter it considered.

Surrogate Motherhood

Mr. Peter Bruinvels asked the Secretary of State for Social Services whether he will now bring in immediate legislation to outlaw surrogate motherhood; and if he will make a statement.

Mr. Kenneth Clarke: We are aware of the widespread and deep concern about the activities of commercial surrogacy agencies. The Government are considering urgently what action should be taken.

Mr. Peter Bruinvels asked the Secretary of State for Social Services what representations he has received about surrogate motherhood since 4 January.

Mr. Kenneth Clarke: To date we have received four written representations including one from my hon. Friend. The Government are very much aware of the widespread and deep concern about the activities of commercial surrogacy agencies.

Mr. Greenway asked the Secretary of State for Social Services if he has any plans to introduce legislation to forbid surrogate motherhood.

Mr. Kenneth Clarke: The Government are aware of the widespread and deep concern about the activities of commercial surrogacy agencies. We are considering urgently what action should be taken.

Attendance Allowance

Mr. Alex Carlile asked the Secretary of State for Social Services, if he has any proposals for relaxing the requirements to be met in respect of applications for attendance allowance; and if he will make a statement.

Mr. Newton: We have no such proposals.

Fuel Allowance

Mr. Winnick asked the Secretary of State for Social Services, if he will now authorise a severe weather fuel payment to those on supplementary benefit.

Mr. Whitney: The chief adjudication officer has today decided to advise local adjudication officers that for the past week the conditions for the award of payments under single payments regulation 26 on the grounds of exceptionally severe weather have been satisfied in two weather station areas covering East Anglia and parts of southern England. This advice is based on the criteria published in paragraphs 7426-7459 and Appendix 19 of the S Manual (a copy of which is in the Library), and on temperature data just obtained from the Meteorological Office. People eligible for supplementary benefit may therefore be entitled to payments towards the cost of extra fuel they have had to use because of the cold weather. We are publicising the help which is available, and leaflets explaining how to claim can be obtained from local social security offices. Decisions on whether individuals are entitled to such payments are a matter for the independent adjudicating authorities.

Child Care

Mr. Parry asked the Secretary of State for Social Services if he will list in the *Official Report* the national child care organisations in England and Wales which have received Government funding in each of the past five years; and if he will list the amounts granted.

Mr. John Patten: It is difficult to identify precisely which voluntary organisations should be regarded as "national child care organisations" because of the diversity of interests many large voluntary bodies have. I refer the hon. Member to the replies of my hon. Friend on 14 December 1983 at columns *509-516* and 22 June 1984 at columns *316-320* to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) which listed all the grants given to voluntary organisations by this Department in 1982-83 and 1983-84.

Retirement Pensioners

Mr. Irving asked the Secretary of State for Social Services what consideration he has given to improving the real value of pensions and other allowances available to retirement pensioners; and if he will make a statement.

Mr. Whitney: With the November 1984 uprating the value of the retirement pension has increased by 3·6 per cent. in real terms—representing £1.25 a week for a single person and £2.00 a week for a married couple—since the Government came to office in 1979. The pledge to protect pensions and linked long-term benefits against price rises has thus been more than met. We have made provision for uprating in November this year in line with price rises in the twelve months to May 1985.

Mr. Irving asked the Secretary of State for Social Services if he will compare the value of pensions and other allowances available to retirement pensioners with those which currently pertain in the other countries of the European Community.

Mr. Whitney: I refer my hon. Friend to section IV of the Department's publication, "Tables of Social Benefit Systems in the Member States of the European Communities, Portugal and Spain (position at 1 January 1984)", a copy of which is in the Library.

Hospitals (Ethnic Committees)

Mrs. Renée Short asked the Secretary of State for Social Services if he will list in the *Official Report*, region by region, the hospitals that have set up ethnic committees.

Mr. Kenneth Clarke: We do not collect information of this sort centrally and it could be obtained only at disproportionate cost.

Distinction Awards

Mrs. Renée Short asked the Secretary of State for Social Services what proposals he has to overhaul the distinction awards system.

Mr. Kenneth Clarke: We have no proposals for an overhaul of the distinction awards system. The system is under constant review by the professions and our Department and changes are made by mutual agreement.

Mrs. Renée Short asked the Secretary of State for Social Services which new specialties, which did not exist in 1948, now attract distinction awards by clinical practitioners.

Mr. Kenneth Clarke: All specialties involving clinical work with NHS patients, whether existing in 1948 or created since, attract distinction awards.

Mrs. Renée Short asked the Secretary of State for Social Services how many paediatricians and paediatric pathologists are in receipt of distinction awards.

Mr. Kenneth Clarke: The latest figures available are as at 31 December 1983. At that date 205 paediatricians and 27 paediatric surgeons held awards. Paediatric pathology is not recognised as a separate specialty for distinction award purpose and no figures are available.

Mrs. Renée Short asked the Secretary of State for Social Services how many women doctors are in receipt of distinction awards.

Mr. Kenneth Clarke: The latest figures available are as at 31 December 1983. At that date there were 339 women consultants holding awards.

Low Birthweight Babies

Mrs. Renée Short asked the Secretary of State for Social Services (1) what resources he is making available to those health authorities seeking funding for new methods of dealing with the problem of low birthweight babies in order to reduce the perinatal and neonatal mortality rate;

(2) if he is satisfied with the level of resources available through inner city partnership schemes to assist health authorities in introducing family worker projects concerned with the problem of low birthweight babies.

Mr. John Patten: The Government believe that a specific central allocation of funds for the development of maternity services is not appropriate. It is for health authorities to plan and fund services in the light of local needs and priorities.

Resources available through inner city partnerships are not earmarked for any specific initiative. However, the needs of areas of social deprivation are taken into account in the current method of allocating resources to regional health authorities.

Health Authorities (Managers)

Mrs. Renée Short asked the Secretary of State for Social Services if he will list in the *Official Report* the names and former occupations of all general manager appointments made to date as a result of the Griffiths proposals.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Mr. Dobson asked the Secretary of State for Social Services whether staff expected to undertake additional duties and responsibilities consequent upon the appointment of a general manager will be regraded.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 January 1985, c. *511*]: The grading of an individual officer is a matter in the first place for the local health authority in the light of the agreements of the appropriate Whitley council. However, I do not expect any immediate regradings to take place of other staff as a direct consequence of the appointment of a general manager by an authority.

Canada (Reciprocal Social Security)

Sir John Farr asked the Secretary of State for Social Services what progress has been made in consultation with the Canadian Department of Health and Welfare in the preparation of a comprehensive social security convention with Canada; and if he will make a statement.

Mr. Whitney: My hon. Friend will be aware of the general position on this matter which is contained in the reply of my hon. Friend the Member for Brent, North (Dr. Boyson) at column *445*. The draft provided by the Canadian Department of Health and Welfare is the subject of discussion between officials of this Department and their Canadian counterparts. The main cost of any convention would be paying pension increases to United Kingdom pensioners in Canada, and the high cost of this —up to about £35 million a year—makes it unlikely that a convention could be implemented in the near future.

Human Embryos (Implantation)

Mrs. Ann Winterton asked the Secretary of State for Social Services what provision is made for National Health Service staff, both medical and non-medical, who have a conscientious objection to being involved in any techniques involving the implantation of human embryos into the wombs of other animals.

Mr. Kenneth Clarke: So far as I am aware, no such technique or procedure has ever been carried out in the National Health Service or in this country at all. There is no statutory or other provision covering the involvement of staff, but I am quite sure that no health authority would ever require any staff to take part in such a procedure.

Mrs. Ann Winterton asked the Secretary of State for Social Services how many National Health Service staff have been, or are, involved in techniques involving the implantation of human embryos into the wombs of other animals.

Mr. Kenneth Clarke: So far as we are aware, this procedure has not been carried out at any centre in the United Kingdom.

Contraception, Sterilisation and Abortion Services

Mr. Terry Davis asked the Secretary of State for Social Services what studies have been carried out over the

last 12 years into the cost effectiveness of contraception, sterilisation and abortion services; and what were the findings.

Mr. Kenneth Clarke: The only major study in this country of which we are aware is "Family Planning—the Benefits and Costs" by W. A. Laing, published by the Policy Studies Institute in May 1982. This concluded that the costs associated with an unplanned pregnancy were significantly greater than those of measures designed to prevent it.

Contraceptive Services

Mr. Terry Davies asked the Secretary of State for Social Services what is the estimated cost of contraceptive services in England for the years 1975 to 1984, inclusive, at 1983-84 prices.

Mr. Kenneth Clarke: Precise details of the costs of contraceptive services provided through the National Health Service are not available, though it is possible to identify, for each financial year, the fees paid to general medical practitioners for the provision of these services, and to estimate the basic ingredient cost of the medicines and devices prescribed, and the costs of family planning clinics. Estimates of total cost on these services for England are given at 1983-84 prices—as measured by the GDP deflator.

Year	*£ millions*
1975-76	45
1976-77	63
1977-78	60
1978-79	58
1979-80	58
1980-81	60
1981-82	61
1982-83	64
1983-84	67

Limited List Prescribing

Mr. Greenway asked the Secretary of State for Social Services if he has any plans to increase benefits for pensioners and other groups on low incomes to assist them with the purchase of drugs which will no longer be available on National Health Service prescription after the introduction of limited list prescribing; and if he will make a statement.

Mr. Kenneth Clarke: There will be no need for this. My intention is that for all patients who need medicines of the kinds covered by my proposals, there will be a range of effective medicines available on the NHS.

Mrs. Ann Winterton asked the Secretary of State for Social Services what alternative methods of saving money on the National Health Service drugs bill he considered before introducing his proposals for a limited list.

Mr. Kenneth Clarke: Various methods of saving money on the National Health Service drugs bill, including generic substitution, were considered before we introduced our proposals for a limited list. No other scheme offered such immediate and worthwhile savings without damage to patient care.

Divorced and Separated Women (Rents)

Mr. Wareing asked the Secretary of State for Social Services if he has plans to provide financial assistance to women who, following a divorce or a separation, are left in sole occupation of rented housing accommodation and are held liable for any accumulated arrears of rent; and if he will make a statement.

Mr. Whitney: A woman who continues to occupy the family home following a divorce or separation and who is liable to pay rent and/or rates or makes payments as if liable, may be entitled to housing benefits for her rent and/or rates. If supplementary benefit is also in payment, a deduction of £1·45 a week may, in certain circumstances, be made from that benefit and paid direct to the landlord towards any rent arrears for which she is responsible. There is no provision to make special payments for the arrears. We have no plans to change these arrangements.

Hospital Waiting Lists

Mr. Gordon Brown asked the Secretary of State for Social Services what is his most up-to-date figure for the numbers of patients on Health Service waiting lists; and how this compares with the numbers for one, two, three and five years previously.

Mr. John Patten: The requested information in given in the table. About half of all admissions to hospital are immediate and many of those on waiting lists already have a planned date of admission. In addition, figures on waiting lists are believed to include a significant proportion of duplicated entries and patients who no longer require treatment. The amount of overstatement cannot be readily estimated but is thought to exceed 10 per cent. nationally and could be considerably more.

Number of cases on inpatient waiting lists in NHS hospitals in England on 31 March

Year	*Number*
*1979	752,422
1981	628,333
1982	622,480
*1983	726,186
1984	692,945

* Figures for these years were affected by industrial action in the health service

Benefits (Review)

Mr. Gordon Brown asked the Secretary of State for Social Services at how many meetings, other than public meetings, of his review committees into *(a)* children and young persons' benefits, *(b)* supplementary benefit and *(c)* housing benefit the Treasury has been represented.

Mr. Newton: As I explained in my reply on 3 December at column *80*, the Treasury, like other Government Departments, has been involved in the work of the review teams through normal official machinery and attendance at meetings. It would not be appropriate to give further details of the internal working arrangements of the individual teams, or of the review as a whole.

West Midlands Regional Health Authority

Mr. Terry Davis asked the Secretary of State for Social Services when the Minister for Health last met the chairman of the West Midlands regional health authority.

Mr. Kenneth Clarke: On 28 December 1984.

Mr. Terry Davis asked the Secretary of State for Social Services who is responsible for preparing the terms of reference for the management consultants who are going to review the functions and working of the West Midlands regional health authority.

Mr. Kenneth Clarke: The regional health authority and our Department.

Hospital Patients (Dental Examinations)

Mr. Terry Davis asked the Secretary of State for Social Services what guidance has been issued by his Department regarding the frequency of dental examinations for patients in long-stay hospitals.

Mr. Kenneth Clarke: Departmental guidance makes clear that health authorities are responsible for the dental care, including comprehensive treatment, of all long-stay hospital inpatients. It is for health authorities and responsible dental consultants to decide the frequency with which patients require dental examinations.

Youth Training Scheme

Mr. Gordon Brown asked the Secretary of State for Social Services how many young people have suffered a deduction in supplementary benefit for *(a)* refusing to take up a youth training scheme place and *(b)* leaving a youth training scheme place in the period since the provision was first introduced.

Mr. Whitney: The numbers of young people who had their supplementary benefit reduced because they had, without good cause, *(a)* refused or *(b)* left prematurely a place on the youth training scheme during the period 23 November 1983 to 20 November 1984—the latest date available—were 1,163 and 10,701, respectively.

Records of supplementary benefit reductions for this reason were not kept prior to 23 November 1983.

Written Answers to Questions

Tuesday 15 January 1985

TRADE AND INDUSTRY

EC (Regional Development Fund)

Mr. Ron Davies asked the Secretary of State for Trade and Industry if he will list by region in England how much European regional development fund aid to date has been devoted to *(a)* infrastructural projects and *(b)* industrial projects; and if he will give the total for England in each category.

Mr. Trippier: The total aid to date allocated from the quota section of the European regional development fund to infrastructure and industrial projects in England is shown in the following table:

Region	*Infrastructure £ million*	*Industry £ million*	*Total £ million*
Northern	179·4	78·2	257·6
North-West	125·5	75·5	201·0
Yorkshire and Humberside	81·5	8·1	89·6
East Midlands	10·2	3·3	13·5
West Midlands	13·1	0·1	13·2
South-West	43·5	3·8	47·3
	453·2	169·0	622·2

Local Enterprise Week

Mr. Craigen asked the Secretary of State for Trade and Industry if he will write to local co-operative development agencies to invite their participation in the 1985 local enterprise week.

Mr. Trippier: I welcome the participation of local co-operative development agencies in local enterprise week and will write to them with details of plans for the week.

Regional Development Grant

Mr. Gareth Wardell asked the Secretary of State for Trade and Industry if he will publish in the *Official Report* the total regional development grant paid in each standard planning region for each year since 1979.

Mr. Trippier: The information requested is given in the following table:

Standard Planning Region

£'000

Year	*Scotland*	*Wales*	*Northern*	*North West*	*Yorkshire and Humberside*	*East Midlands*	*West Midlands*	*South West*
1979	81,502	61,941	128,976	61,233	21,395	2,418	26	6,015
1980	94,346	74,727	95,685	89,133	29,899	2,774	44	6,953
1981	140,782	131,448	161,276	148,290	52,706	7,205	91	10,936
1982	185,296	129,805	132,627	104,540	40,155	8,340	104	10,916
1983	246,897	74,607	103,425	81,144	24,282	8,169	—	7,387
1984 (to 30 September 1984)	90,384	59,396	75,589	64,562	14,434	3,570	—	5,852

Regional Aid

Mr. Nicholas Brown asked the Secretary of State for Trade and Industry if he will provide a breakdown of the figure of £1 billion given to the House on 9 January, *Official Report*, column *831*, as being the total provided in financial assistance to the northern region since 1972.

Mr. Trippier: The information requested is as follows:

	£ million
Regional Development Grants	1,240·9
Section 7 Grants	93·8
Section 7 loans/equity	18·2
Industry Schemes Grants	12·7
General Schemes Grants	11·6
General Schemes loans/equity	0·5

	£ million
Total grants	1,359·0
Total loans/equity	18·7

The figure for regional development grants relates to the northern region, including Cumbria; those for other assistance relate to the present north-eastern region.

Mr. Ron Davies asked the Secretary of State for Trade and Industry if he will give the total expenditure by central Government in regional aid to each English region and Wales for each year since 1979 in cash and real terms using 1984 as the base year.

Mr. Trippier: Government expenditure since 1979 on regional aid to Wales and the regions of England is as follows:

*1. Expenditure at current prices**

£ million

Region	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Northern	159·6	147·8	146·3	176·3	159·3	127·5
North-West	88·5	86·7	131·3	157·9	122·4	101·4
Yorks/Humber	37·6	32·1	52·2	61·8	52·9	35·5

Region	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
East Midlands†	4·3	4·2	4·5	8·6	13·6	17·6
South West	9·5	10·7	11·5	14·8	16·2	11·9
England‡	299·5	281·5	345·8	435·1	364·4	293·9
Wales	106·1	104·3	170·8	198·2	181·7	113·5

2. Expenditure at 1983-84 prices‖*

£ million

Region	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
Northern	270·6	214·5	179·5	196·3	166·4	127·5
North West	150·1	125·8	161·1	175·8	127·8	101·4
Yorks/Humber	63·8	46·6	64·0	68·8	55·2	35·5
East Midlands†	7·3	6·1	5·5	9·6	14·2	17·6
South West	16·1	15·5	14·1	16·5	16·9	11·9
England‡	507·8	408·6	424·2	484·5	380·5	293·9
Wales	179·9	151·4	209·5	220·7	189·7	113·5

Notes:

* All figures are gross and include payments to nationalised industries.

† Includes West Midlands for earlier years. Oswestry TTWA lost its Intermediate Area status on 1 August 1982.

‡ The 1981-82 figures for England include items which cannot be broken down between the Northern and North West regions. The amount involved at current prices is £15·7 million (£17·5 million at 1983-84 prices).

‖ Current price expenditure was converted to constant prices by use of the GDP deflator.

The items included in the expenditure are regional development grants and regional selective financial assistance under the Industrial Development Act 1982, and expenditure on land and factories in the assisted areas by the English Industrial Estates Corporation and the Welsh Development Agency.

Mr. Ron Davies asked the Secretary of State for Trade and Industry if he will estimate the per capita spending on regional aid by central Government for each region in England for each year since 1979.

Mr. Trippier: The following table is based on the total of expenditure on regional development grants and regional selective assistance under the Industrial Development Act 1982 and its predecessor legislation, and expenditure on land and factories in the assisted areas by the English Industrial Estates Corporation. It gives the amount of such expenditure per member of the yearly average of the working population in the calendar year in which the financial year ends as the working population is a better indicator than the total population of a region's economic base. The 1983 working population figure is the latest available and has been applied to the figures for the financial year 1983-1984.

Region	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
Northern	82·7	76·4	75·7	91·1	82·2	65·8
North West	22·5	22·1	33·4	40·0	30·9	25·6
Yorkshire & Humberside	12·6	10·7	17·4	20·5	17·4	11·7
East Midlands*	1·9	1·8	1·9	3·6	5·7	7·3
South West	3·7	4·2	4·4	5·6	6·1	4·5

* Includes west midlands for earlier years. Oswestry TTWA in the west midlands lost its intermediate area status on 1 August 1982.

Mr. Ron Davies asked the Secretary of State for Trade and Industry what, in respect of the year 1983-84, was the total number of jobs created in each region in England by means of selective financial assistance; and what is his estimate of the average cost of such jobs created.

Mr. Trippier: The information requested is not available. However, under section 7 of the Industrial Development Act 1982, the assistance offered for job creation projects together with the related estimated number of jobs to be created and the average cost of each job, during 1983-84 by English regions is as follows:

	Offer Value £ million	Estimated New Jobs	Cost per Job £
North-East	12·46	5,770	2,160
North-West	6·7	2,775	2,415
Yorkshire and Humberside	7·6	3,313	2,293
South-West	3·67	1,365	2,690
East Midlands	6·35	2,577	2,465

The jobs are expected to be created over a four to five-year period if the projects go according to plan.

Mr. Ron Davies asked the Secretary of State for Trade and Industry what was the number of applications for selective financial assistance approved by his Department for each region in England in 1983-84.

Mr. Trippier: The number of applications offered selective financial assistance under sections 7 and 8 of the Industrial Development Act 1982 in each region in England in 1983-84 is as follows:

	Section 7 Number of offers	Section 8 Number of offers
North-East	19[illegible]	186
North-West	138	574
Yorkshire and Humberside	118	439
South-West	40	480
East Midlands	78	396
West Midlands	n/a	851
South-East	n/a	2,136

n/a=Not applicable.

ATTORNEY-GENERAL

Trials (Personal Health Data)

Mrs. Renée Short asked the Attorney-General how many Crown court cases arose in 1984 in which disclosure of personal health data was necessary before a verdict could be reached.

The Attorney-General: I regret that this information is not available.

Sunday Trading

Mrs Renée Short asked the Attorney-General how many cases of criminal proceedings arose in 1984 resulting from transgressions of Sunday trading restrictions; and in which areas such offences took place.

The Attorney-General: Section 71 of the Shops Act 1950 assigns responsibility for the enforcement of the provisions of the Shops Act 1950 to the local authority for the district concerned. The Director of Public Prosecutions, for whose work I have responsibility, has not dealt with any such cases in 1984. The total number of prosecutions brought in 1984 under the 1950 Act is not yet available, but will be included in the statistics relating to crime and criminal proceedings for 1984 when they are published by the Home Office.

Appeals

Mr. Corbett asked the Attorney-General what is the average length of time between a prisoner applying for leave to appeal and the decision being given by a judge on such applications; and what was the average time taken in making such decisions for each year since 1978.

The Attorney-General: Information is not available in the form requested. The time interval varies from case to case and depends on such factors as the the length and complexity of the trial, the number of defendants, the length of sentence, whether the appeal was against conviction sentence or both, and whether or not the application was pursued to the full court. The total number of cases outstanding in the Court of Appeal, criminal division has, however, decreased from 3,333 at the end of 1983 to 2,545 at the end of 1984.

EMPLOYMENT

Pay Movements

Mr. Leighton asked the Secretary of State for Employment how the movement of pay in the wages council sector has changed over the last 10 years as a proportion of the national average.

Mr. Peter Bottomley: The information required is set out in the following table:

	*All Wages Boards and Councils**	*All industries and services*	*All Wages Boards and Councils as a percentage of all industries and services*
	£	£	*per cent.*
1974	30·6	41·7	73
1984	104·6	160·1	65

* Includes Agricultural Wages Boards.

Source: New Earnings Survey.

Notes: Figures in columns 1 and 2 above are average gross weekly earnings of full-time men aged 21 years and over and full-time women aged 18 years and over, whose pay is unaffected by absence.

Young Workers Scheme

Mr. Leighton asked the Secretary of State for Employment what estimate his Department has of the proportion of jobs supported by the young workers scheme which would have existed in any case.

Mr. Alan Clark: The information is not available in the form requested. The young workers scheme is designed to encourage employers to employ more young people at more realistic rates of pay. Survey evidence suggests that at least 20 per cent. of jobs supported were created directly because of the help it provides. It is likely that a significant proportion of the remainder would not have existed in the absence of more realistic rates of pay for young people.

Training and Special Employment (Cost)

Mr. Ralph Howell asked the Secretary of State for Employment what was the cost of all the Government training schemes and special employment measures for each year from and including the financial year 1972-73; and what was the average number of participants in each year.

Mr. Peter Morrison: The cost of all Government training schemes and employment measures for each financial year from 1974-75 to 1983-84 together with, where available, the number of participants is outlined in the following tables.

Information in respect of 1972-73 and 1973-74 is not readily available. The number of participants is expressed variously as annual number of entrants, course completions, average filled places, etc according to the availability of statistics.

Expenditure on Department of Employment group training and employment measures 1974-75 to 1983-84

£000

	1974-75	*1975-76*	*1976-77*	*1977-78*	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*
Industrial Training Boards (ITBs)	11,491	22,354	36,067	50,496	57,636	53,318	47,714	57,690	62,762	42,422
Training Opportunities Scheme (TOPs)	63,367	101,834	155,277	172,773	172,771	192,147	204,769	197,665	199,909	219,965
Direct Training Services (DTS)	Expenditure figures for these services are not available									
Open Tech	—	—	—	—	—	—	—	—	40	4,228
Work Experience Programme (WEP)	—	—	628	12,838	—	—	—	—	—	—
Youth Opportunities Programme (YOP)	—	—	—	—	57,009	115,778	214,734	397,041	521,360	316,969
Youth Training Scheme (YTS)	—	—	—	—	—	—	—	—	—	376,529

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
Technical Vocation Educational Initiative (TVEI)	—	—	—	—	—	—	—	—	—	7,189
Recruitment Subsidy for School Leavers (RSSL)	—	830	2,118	21	—	—	—	—	—	—
Youth Employment Subsidy (YES)	—	—	607	5,012	3,632	6	1	—	—	—
Young Workers' Scheme (YWS)	—	—	—	—	—	—	—	—	40,667	58,343
Community Industry (CI)	1,673	3,234	5,878	8,934	11,704	16,952	18,994	20,887	23,376	23,673
Job Creation Programme (JCP)	—	1,239	34,684	72,586	76,858	4,852	457	53	4	—
Special Temporary Employment Programme (STEP)	—	—	—	—	9,309	50,996	43,736	—	—	—
Community Enterprise Programme (CEP)	—	—	—	—	—	—	—	86,618	155,012	—
Community Programme (CP)	—	—	—	—	—	—	—	—	—	402,806
Temporary Short-time Working Compensation (TSTWC)	—	—	—	—	—	24,400	365,049	259,718	72,040	27,225
Short-time Working Compensation (STWC)	—	—	—	—	899	—	—	—	—	—
Job Release Scheme (JRS)	—	—	1,638	15,320	21,729	85,401	135,953	134,143	211,767	258,155
Job Splitting Scheme (JSS)	—	—	—	—	—	—	—	—	48	323
Adult Employment Subsidy (AES)	—	—	—	—	217	357	1	—	—	—
Temporary Employment Subsidy (TES)	—	2,733	92,381	173,719	133,081	40,880	931	—	—	—
Small Firms Employment Subsidy (SFES)	—	—	—	1,955	11,843	45,427	10,773	54	22	—
Enterprise Allowance Scheme (EAS)	—	—	—	—	—	—	—	—	2,409	23,218
Voluntary Projects Programme (VPP)	—	—	—	—	—	—	—	—	164	5,500
Geographical Mobility Schemes (GMS)	2,416	5,979	10,912	11,944	10,735	6,716	4,286	4,343	5,379	5,001
Careers Service Grants	—	45	893	1,252	1,705	2,828	4,298	6,598	9,836	11,765
Grants for Careers Officers' Training	—	—	—	—	—	—	—	255	464	526
Trade Union Education and Training (TUET)	—	—	200	320	510	741	851	935	816	793
Services for Seriously Disabled	14,638	21,959	26,133	30,732	34,580	41,954	54,940	58,888	66,772	72,691
Totals	93,585	160,197	367,416	557,902	604,238	682,723	1,109,487	1,224,888	1,372,867	1,857,285

Trainees/Participants in Department of Employment group training and employment measures 1974-75 to 1983-84

	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
ITBs (entrants)	not available	27,242	39,833	37,588	36,469	20,700	25,700	35,000	30,202	12,978
TOPs (completions)	45,416	60,724	89,651	98,964	70,187	74,489	66,418	61,396	59,300	66,200
DTS (completions)	28,583	30,965	31,304	36,049	45,050	41,300	25,950	20,300	20,750	21,750
Open Tech*	—	—	—	—	—	—	—	—	—	5,000
WEP (entrants)	—	—	7,561	52,958	—	—	—	—	—	—
YOP (entrants)	—	—	—	—	162,200	216,400	360,000	553,000	543,000	27,000
YTS (entrants)	—	—	—	—	—	—	—	—	—	354,000
TVEI (entrants)	—	—	—	—	—	—	—	—	—	4,300
RSSL (entrants)*	—	30,179	—	—	—	—	—	—	—	—
YES (entrants)*	—	—	14,820	32,622	—	—	—	—	—	—
YWS (subsidies commenced)	—	—	—	—	—	—	—	—	174,266	129,540
CI (filled places)	1,239	1,831	3,168	4,255	4,898	5,806	6,160	6,868	6,982	6,905
JCP (entrants)*	—	14,100	79,320	106,120	—	—	—	—	—	—
STEP (entrants)**	—	—	—	—	19,700	22,400	18,400	—	—	—
CEP (entrants)‡‡	—	—	—	—	—	—	—	27,554	39,527	—
CP (entrants)	—	—	—	—	—	—	—	—	12,118	134,379
TSTWC (jobs saved)	—	—	—	—	—	92,919	635,086	166,704	101,389	29,602
STWC (jobs saved)	—	—	—	—	15,000	—	—	—	—	—
JRS (entrants)	—	—	9,979	14,529	25,643	68,164	24,239	38,674	46,134	44,830
JSS (jobs split)	—	—	—	—	—	—	—	—	180	636
AES (entrants)†	—	—	—	—	—	1,446	—	—	—	—
TES (entrants)*	—	11,262	160,922	197,693	129,160	—	—	—	—	—
SFES (entrants)*	—	—	—	3,907	82,211	99,030	—	—	—	—
EAS (entrants)‡	—	—	—	—	—	—	—	—	2,132	26,899
VPP (projects)‖	—	—	—	—	—	—	—	—	not available	
GMS (numbers helped)¶	14,333	15,701	16,859	26,536	22,897	9,785	5,668	5,367	4,879	3,780
Careers Service Grants (posts funded)	—	150	170	260	335	450	550	780	1,030	1,060
Grants for Career Officers' training (careers officers trained)	—	—	—	—	—	—	—	124	125	125
TUET	number of trade union officials benefiting from the grant cannot be quantified									
Services for seriously disabled (disabled persons)††	13,597	13,755	13,345	13,311	13,899	13,872	13,839	14,351	14,410	14,936

* RSSL ran from 13 October 1975 to 30 September 1976—figure of 30,179 represents total entrants to scheme and covers two financial years (1975-76 and 1976-77).
† AES ran from 7 August 1978 to 30 June 1979 and figure of 1,446 entrants covers 1978-79 and 1979-80 financial years.
‡ EAS was operated as pilot scheme in five areas only between January 1982 and August 1983 thereafter it has been operated nationally.
‖ It is estimated that some 40,000 are helped in a full year. Participants are volunteers who remain on the unemployment register.
¶ Figures relate to persons assisted under the employment transfer scheme only and exclude persons assisted under the job search scheme, free forward fares scheme and the speculative temporary transfer scheme as figures are not available for these schemes.
• Currently supports 96 projects.
* Scheme closed for applications 31 August 1978.
• Scheme closed for applications 31 March 1979.
* Scheme closed for applications 31 March 1980.
** Scheme closed for applications 31 March 1981.
‡‡ Scheme incorporated into Community Programme.
†† Number supported at the end of each financial year.

Wages Councils

Mr. Gregory asked the Secretary of State for Employment if he will state separately how many employers and how many employees were covered by each wages council for the latest period during 1984 for which statistics are available.

Mr. Peter Bottomley: Estimates of the coverage of wages councils are derived from records kept by the Wages Inspectorate which are on the basis of establishments rather than employers. The latest figures for establishments and workers covered by each council are as follows:

Council	Number of establishments at 1 January 1984	Estimated number of workers at June 1982
Aerated Waters	630	15,000
Boot and Shoe Repairing	2,372	7,100

Council	Number of establishments at 1 January 1984	Estimated number of workers at June 1982
Button Manufacturing	62	2,100
Clothing Manufacturing	8,292	252,000
Coffin Furniture and Cerement Making	20	300
Cotton Waste Reclamation	34	500
Flax and Hemp	13	1,400
Fur	484	4,500
General Waste Materials Reclamation	1,949	19,300
Hairdressing Undertakings	33,344	135,600
Hat, Cap and Millinery	189	6,800
Lace Finishing	66	800
Laundry	1,110	33,700
Licensed Non-Residential Establishment	67,498	508,700
Licensed Residential Establishment and Licensed Restaurant	30,192	555,300
Linen and Cotton Handkerchief and Household Goods and Linen Piece Goods	203	5,200
Made-up Textiles	340	4,800
Ostrich and Fancy Feather and Artificial Flower	32	1,400
Perambulator and Invalid Carriage	36	1,500
Retail Bespoke Tailoring	757	5,200
Retail Food and Allied Trades	118,351	519,300
Retail Trades (Non-Food)	102,594	512,800
Rope, Twine and Net	117	4,000
Sack and Bag	108	1,400
Toy Manufacturing	389	18,900
Unlicensed Place of Refreshment	17,116	116,400

Youth Training Scheme

Mr. Hunter asked the Secretary of State for Employment if he is satisfied that the Christmas undertaking under the youth training scheme that all unemployed minimum age school leavers would be offered a place by Christmas has been met; and if he will make a statement.

Mr. Tom King: I am very happy to say that the Government's undertaking has been effectively met for the second successive year. There are over 300,000 young people on the youth training scheme and on 3 January only 3,850 youngsters were waiting for the offer of a place. The comparable figure for last year was 4,320.

These results are a tremendous achievement by all concerned — the Manpower Services Commission, the careers service, employers, trade unions, local authorities, colleges and voluntary organisations. Their support for the Government's commitment to training is much appreciated. I am also delighted to see the clear evidence that young people recognise that the youth training scheme offers a real chance to improve the basic skills necessary to compete effectively in the labour market.

NORTHERN IRELAND

Terrorism and Security (Statistics)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what are the statistics for terrorist activity and security forces' activity in Northern Ireland for the year ended 31 December 1984.

Mr. Scott: I regret that these statistics are not yet available, but I expect them to be so shortly.

HOME DEPARTMENT

Miss Hilda Murrell

Mr. Dalyell asked the Secretary of State for the Home Department if he will call for a report from the chief constable of West Mercia giving the reasons why two detective sergeants and a detective constable were suspended before August 1984 during the course of the inquiry into the murder of Miss Hilda Murrell; when he expects disciplinary procedures to be completed; and whether the detectives were suspended on full pay or half pay.

Mr. Giles Shaw: I understand from the chief constable of West Mercia that on 7 August 1984 he announced that three officers, two from his force and the third from the West Midlands police, attached to the No. 4 Regional Crime Squad, were suspended from duty during the course of a disciplinary inquiry into whether they had failed properly to carry out their duties. The inquiry began on 21 June 1984; one officer from West Mercia and the officer from West Midlands were suspended on 28 June and the second officer from West Mercia was suspended on 2 August. A report of the inquiry will be submitted to the deputy chief constable shortly who will then take a decision on whether disciplinary charges should be brought. In accordance with normal practice the officers were suspended on full pay, but one has since resigned from the police service.

Police (Baton Rounds)

Mr. Deakins asked the Secretary of State for the Home Department which senior officer has been designated as officer in charge of the use of baton rounds in the Metropolitan police area; and how many police officers in London have been trained in their use.

Mr. Giles Shaw: The senior officer in charge of the use of plastic baton rounds in the Metropolitan police district is the Deputy Assistant Commissioner (Operations) in "A" Department (Administration and Operations). Forty firearms instructors and 46 other officers are at present trained in the use of plastic baton rounds.

Itinerants

Mr. John David Taylor asked the Secretary of State for the Home Department what powers Her Majesty's Government have to control the movement of itinerants from European Economic Community countries into the United Kingdom.

Mr. Waddington: The admission of foreign nationals is controlled by the provisions of the Immigration Act 1971. The practices followed in the administration of the Act are set out in the "Statement of Changes in Immigration Rules" (HC 169) laid before Parliament on 9 February 1983, which recognise the right to admission under Community law of certain nationals of European Community countries.

Cruelty to Animals

Mr. David Atkinson asked the Secretary of State for the Home Department if he will make a statement on progress towards the introduction of legislation to replace the Cruely to Animals Act 1876 following the publication of the White Paper in May 1983.

Mr. Mellor: We have made considerable progress since the publication of the White Paper. Extensive consultations have been held with interested parties, and aspects of the proposals have been tested, refined and developed. We hope shortly to issue further information on developments in policy. It remains our firm intention to introduce new legislation at the earliest possible opportunity, and we shall be ready to do so as soon as that opportunity occurs.

Drink-Driving

Mr. Peter Bruinvels asked the Secretary of State for the Home Department (1) how many people were breathalysed over Christmas and the new year within the Metropolitan police area; and of those how many were found positive;

(2) if he will call for reports from each chief constable as to the number of people tested for drunken driving over the Christmas period and as to the number of positive tests; and if he will make a statement.

Mr. Giles Shaw: Police forces submit, throughout the year, returns to the Home Office on breath tests, but the returns take some time to compile and process and all police forces have not yet compiled their figures covering the Christmas and new year period. Considerable disruption and expense would be involved in asking them to alter the standing arrangements for submitting these returns now and bringing forward the normal schedule for processing them. When all the returns for 1984 have been received, it is planned to publish a statistical bulletin on the use of breath tests in 1984, on similar lines to "Statistics of Breath Tests, England and Wales 1983" (Issue 20/84), a copy of which is in the Library of the House. This will include a special analysis of the figures over the Christmas period and will be available well before arrangments have to be made for next year.

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many convictions for drink-driving offences there have been in each of the past five years and to date in 1985.

Mr. Mellor: The available information is for findings of guilt at all courts and is given in table 5 of the Home Office statistical bulletin, "Offences Relating to Motor Vehicles, England and Wales 1983" (Issue 24/84), a copy of which is in the Library of the House. Information for 1984 and 1985 is not yet available.

Random Breath Tests

Mr. Peter Bruinvels asked the Secretary of State for the Home Department if he will consider the introduction of random breath tests; and if he will make a statement.

Mr. Giles Shaw: A police constable in uniform has a general power to stop any vehicle and he may require a motorist to take a roadside breath screening test if he has reasonable cause to suspect that the motorist has alcohol in his body, or following the commission of a moving traffic offence, or if the motorist has been involved in an accident. We are not convinced that it is necessary to extend these wide powers.

Unmarked Police Cars

Mr. Peter Bruinvels asked the Secretary of State for the Home Department what is the policy of the Commissioner of Police of the Metropolis over the use of unmarked police cars within the Metropolitan police area; and if he will publish any guidelines issued in the *Official Report*.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that the force uses unmarked vehicles for a wide range of purposes including CID inquiries, surveillance, responding to certain complaints about speeding and miscellaneous support functions. Whether or not an unmarked police vehicle is to be used in a particular operation is a matter for the senior officer concerned. No guidelines have been issued specifically on the use of unmarked police cars.

South West African People's Organisation

Mr. Nicholas Winterton asked the Secretary of State for the Home Department what representations he has received objecting to the presence in the United Kingdom of members of the South West African People's Organisation.

Mr. Waddington: None.

Wintex-Cimex '85

Mr. D. E. Thomas asked the Secretary of State for the Home Department if he will make a statement on his Department's contribution to Wintex-Cimex '85.

Mr. Giles Shaw: Officials from the Department have been involved in the planning of the United Kingdom's contribution to the exercise and will participate during the exercise itself.

Prevention of Terrorism (Temporary Provisions) Act 1984

Mr. Mates asked the Secretary of State for the Home Department whether he has appointed a person to report annually on the operation of the Prevention of Terrorism (Temporary Provisions) Act 1984.

Mr. Brittan: I am pleased to say that Sir Cyril Philips has accepted this appointment. I hope to receive his first report next month.

PRIME MINISTER

European Community Budget

Q7. **Mr. Teddy Taylor** asked the Prime Minister what are the implications for the agreements secured at the Fontainebleau and Dublin summits on Common Market finances of the decision of the European Assembly on 13 December to reject the 1985 budget; and if she will make a statement.

The Prime Minister: I regret the decision of the European Parliament to reject the 1985 draft budget. But this action affects neither the agreement on future United Kingdom abatements secured at the Fontainebleau European Council; nor the agreement on budget discipline adopted during the Dublin Council. These have been accepted by all member states.

Industrial Relations

Q75. **Mr. Wigley** asked the Prime Minister whether the Government have any further proposals to make to improve industrial relations in the countries of Britain.

The Prime Minister: The Trade Union Act 1984, which is designed to ensure that trade unions are more democratic and their leaders more accountable to their members, will not be in full operation until later this year. It is therefore too early to say what further specific legislative measures may be introduced. However, we are considering what might usefully be done to deal with the special problems of industrial action in essential services and we shall take whatever additional steps may be necessary to ensure that there is a balanced and effective legal framework for the conduct of industrial relations.

Engagements

Mr. Teddy Taylor asked the Prime Minister if she will list her official engagements for Tuesday 15 January.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 15 January.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall be having further meetings later today.

Nuclear Tests (Radiation)

Mr. Alton asked the Prime Minister how many records of atomic test veterans have now been surveyed.

The Prime Minister: The study of atomic test veterans which the National Radiological Protection Board is undertaking is progressing to plan, as detailed by the then Minister of State for Defence Procurement in October 1983. About 20,000 British service men and civilians participated in the entire programme; almost all these individuals are known, and their records are being made available to the NRPB for it to consider for inclusion in the study.

Mr. Alton asked the Prime Minister if she will make a statement on what is being done to assist the Australian Royal Commission's inquiry into the atomic tests held at Maralinga.

The Prime Minister: Her Majesty's Government are devoting very considerable effort to assisting the Australian Royal Commission in the limited time given to it by the Australian Government for executing its inquiries. Priority has been given to making available information from the sources most likely to provide relevant material. So far, the Ministry of Defence has reviewed and supplied some 250 relevant trials reports and other documents; access has been granted to about 100 unique headquarters' files and other documents pertaining to the period of the programmes in advance of their normal 30-year release to the Public Records Office; and 25 United Kingdom witnesses, including high ranking staff in responsible positions during the test programmes, are being assisted to testify.

Mr. Alton asked the Prime Minister whether British service men were deliberately exposed to the effects of radiation during tests in the South Pacific in the 1950s.

The Prime Minister: There is no truth in the allegations that British service men were used as "guinea pigs". No British service men were exposed unnecessarily to levels of ionising radiation in excess of the prescribed limits. These limits were comparable with those which apply to radiation workers today.

Approximately 15,000 of the 20,000 participants at the tests were not exposed to additional radiation at all. Most of those who were exposed to ionising radiation other than natural background received a radiation dose less than one tenth of the limit prescribed for radiation workers. Only very few (fewer than 30 individuals, service men and civilians, for the entire programme) experienced exposures greater than 70 millisieverts; these exposures were within the special higher integrated dose for cases of extreme necessity and had to be authorised by the test director.

Mr. Alton asked the Prime Minister how many people have been included in the survey of atomic tests service men who were not, at the time considered to be at risk from radiation exposure.

The Prime Minister: The National Radiological Protection Board, which is carrying out the study of United Kingdom participants in the United Kingdom atmospheric nuclear weapon tests, is being given information, including dose records, about all the service men and civilians who are known to have been involved in the test programmes. As explained in the NRPB protocol issued in September 1983, the board will consider which participants should be included in the study. The question of how their analysis will take account of the 5,000 or so with dose records is entirely a matter for the board.

Mr. Alton asked the Prime Minister whether Her Majesty's Government will extend the survey of service men involved in tests held in the South Pacific in the 1950s to examine genetic effects on children of service men; and when the existing survey will be completed.

The Prime Minister: I refer the hon. Member to the reply given by my right hon. Friend the Minister of State for Defence Procurement on 31 October 1984, at columns 1120-21.

Trident

Mr. Alton asked the Prime Minister if she will make a statement on the effect of the exchange rate on the cost of Trident; if she will estimate the present cost of the project; and how this compares with the 1980 estimates.

The Prime Minister: My right hon. Friend the Secretary of State for Defence is currently reviewing the estimate of cost of Trident and expects to make an announcement to Parliament shortly. The latest published estimate for the Trident programme based on the use of the Trident D5 missile, is £8,729 million at an exchange rate of $1·53=£1. The original estimate for Trident given in 1980 and based on the Trident C4 missile, was £4,500 million to £5,000 million. Of the increase in cost, about £1·25 billion relates to exchange rate variations.

Tax and National Insurance (Thresholds)

Mr. Ralph Howell asked the Prime Minister what would be the loss in revenue if *(a)* income tax thresholds and *(b)* national insurance thresholds were raised to £2,500 for a single person and £5,000 for a married couple per year; and what would be the financial effect on a man with a wife and two children with an income of £100 per week and whose rent and rates were £20 and £5, respectively, if at the same time child benefit, all housing benefits and family income supplement were abolished.

The Prime Minister: The cost of increasing the single person's income tax allowance to £2,500 and the married man's allowance to £5,000 would be about £7·6 billion in a full year at 1984-85 levels of income. The reduction in national insurance contributions if the lower earnings limit was raised to £2,500 per year for single people and to £5,000 per year for married couples, in relation to their joint earnings, would be about £1·1 billion in 1984-85. This estimate assumes no change in the contracted-out rebate in respect of people remaining liable to contributions. On the assumptions given, the family specified would lose £788 in 1984-85.

HOUSE OF COMMONS

Petitions

Mr. Peter Bruinvels asked the Lord Privy Seal if he will propose to the House the reintroduction of the system of counting the number of signatures on public petitions.

Mr. Biffen: I have no such proposals. It is already open to an hon. Member presenting a public petition to draw the attention of the House to the number of signatures attached to it.

ENERGY

Mutual Defence Agreement

Mr. Benn asked the Secretary of State for Energy (1) if he will publish any exchange of letters between Her Majesty's Government and the United States Government that constitute a waiver on the stipulation in the mutual defence agreement 1958 (as amended in 1959 and subsequently) that nuclear materials bartered under this arrangement shall be used for the furtherance of defence purposes by each state;

(2) whether the release of information by the United States Energy Secretary disclosing the isotopic composition of United Kingdom origin civil plutonium, transferred under the mutual defence agreement 1958 (as amended in 1959), was with the agreement of Her Majesty's Government.

Mr. Goodlad: I refer the right hon. Member to the answer my right hon. Friend gave the right hon. Member for Manchester, Wythenshawe (Mr. Morris) on 2 July 1984, at column 36, in which he explained that it is not Her Majesty's Government's practice to release details of exchanges such as those between the United States and United Kingdom Governments on the mutual defence agreement.

Energy Efficiency

Mr. McCrindle asked the Secretary of State for Energy if he will make available more detailed information on the specific projects supported by the Energy Efficiency Office in the interests of furthering energy efficiency.

Mr. David Hunt: I have placed a note, describing the excellent schemes and projects currently available to assist all sectors in achieving greater efficiency in the use of energy, in the Library of the House, together with the relevant publications and leaflets which are available from the Energy Efficiency Office at my Department.

TRANSPORT

Lorry Weights

Mr. Nicholas Baker asked the Secretary of State for Transport if he has any plans to increase the maximum weight of lorries from 38 tonnes.

Mr. Ridley: No.

Drink-driving

Mr. Peter Bruinvels asked the Secretary of State for Transport if he will issue guidance to those who continue to drink and drive.

Mrs. Chalker: I shall continue to take every possible opportunity to make it clear that drinking and driving is irresponsible and potentially dangerous.

M25 (Noise)

Mr. Onslow asked the Secretary of State for Transport when he expects to be in a positon to announce his decision on further noise reduction methods on the Chertsey-Wisley section of the M25.

Mrs. Chalker: I hope to write to my hon. Friend within the next three to four weeks.

OVERSEAS DEVELOPMENT

Overseas Aid

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs how the percentages of gross national product spent on overseas aid by the following countries compares with that spent by the United Kingdom: *(a)* the United States of America, *(b)* Japan and *(c)* the Union of Soviet Socialist Republics.

Mr. Raison: In 1983 British aid was 0·35 per cent. of GNP. By comparison the USA's share was 0·24 per cent. and Japan's 0·33 per cent. The USSR is not a member of the Development Assistance Committee of the Organisation for Economic Co-operation and Development which collates aid statistics, and does not itself publish this information. However, it is estimated that the USSR's development aid represented 0·19 per cent. of GNP in 1983.

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs how many British Government financed personnel are currently working overseas as part of aid programmes; in which countries they are working; what tasks they are performing; and what is the estimated total cost to the Government of such programmes.

Mr. Raison: The latest complete information is for 1983. There were 738 fully funded and 1,779 partly funded personnel, and 1,041 volunteers serving in over 100 countries overseas under the aid programme at 31 December 1983 at a total cost of just over £70 million. They were working in a wide variety of disciplines including renewable natural resources, public administration, education and health. A list of the countries where they worked and details of the full range of disciplines are given in tables 19 and 14 respectively of the 1984 edition of "British Aid Statistics", a copy of which is in the Library of the House.

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs how many overseas students or trainees are currently studying in the United Kingdom as part of United Kingdom overseas aid programmes; at which establishments such students are studying; what courses they are on; and what is the estimated total annual expenditure on any such schemes.

Mr. Raison: On 31 December 1983, the latest date for which official aid statistics are available, 5,336 students and trainees from developing countries were on courses in the United Kingdom financed by the British overseas aid programme.

The additional information which my hon. Friend has requested is not immediately available, but I will write to him shortly.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs what measures are to be taken to implement United Nations Security Council resolution 558 which was unanimously adopted on 13 December in order to prevent imports of arms from South Africa into the United Kingdom and its dependencies.

Mr. Rifkind: The United Kingdom does not obtain its arms and military equipment of the type covered by Security Council resolution 558 from South Africa. We supported the adoption of SCR 558 and expect other UN member states to consider carefully its provisions, but it is a non-mandatory resolution.

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs how many Government officials visited South Africa during 1984; and if he will name these officials and the purpose of their visits.

Mr. Rifkind: There are no centrally compiled lists of visits by government officials to overseas countries. I regret, therefore, that the information requested by the hon. Member is not available.

Apartheid

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs how *(a)* the United Kingdom, *(b)* the United States of America and *(c)* other member states of the EEC voted on the resolutions on apartheid adopted at the 39th Session of the United Nations General Assembly in particular resolution 39/2 and resolutions 39/72 A to G.

Mr. Rifkind: The information requested is as follows:

Resolution 39/2: The United Kingdom and USA abstained. Other members of the EC voted in favour.

Resolution 39/72A: All members of the EC, and the USA, voted against, except Greece which abstained.

Resolution 39/72B: The United Kingdom and USA voted against; other members of the EC voted in favour.

Resolution 39/72C: All members of the EC, and the USA, voted against, except Greece, which voted in favour.

Resolution 39/72D: The United Kingdom, FRG, Netherlands and Denmark and the USA, abstained. Other members of the EC voted in favour.

Resolution 39/72E: The United Kingdom and USA abstained; other members of the EC voted in favour.

Resolution 39/72F: Adopted without a vote.

Resolution 39/72G: The United Kingdom and USA voted against, five EC members abstained and four voted in favour.

International Terrorism

Sir Frederic Bennett asked the Secretary of State for Foreign and Commonwealth Affairs what further initiatives Her Majesty's Government favour in establishing greater co-operation within the member states of the Council of Europe to counter international terrorism.

Mr. Renton: The Ministers of Justice of the Council of Europe adopted a resolution on the fight against terrorism and international organised crime in May 1984. Member states have since been considering how best to give effect to the resolution. We are playing a full part in these discussions.

Zimbabwe

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent visit to Zimbabwe.

Mr. Rifkind: My right hon. and learned Friend paid his first visit to Zimbabwe from 5 to 8 January 1985. While there he was able to have most useful and friendly discussions with Mr. Mugabe and other senior Zimbabwean Ministers covering a wide range of international and bilateral issues. He also met a number of Opposition leaders and representatives of the private sector; and saw something of Zimbabwe's agriculture.

EDUCATION AND SCIENCE

Pupil Statistics

Mr. Radice asked the Secretary of State for Education and Science what were the proportions of pupils in comprehensive schools, secondary modern schools and grammar schools in each local education authority in 1984.

Sir Keith Joseph: The proportions of secondary pupils —excluding middle deemed secondary—in comprehensive—excluding sixth form colleges—secondary modern and grammar schools in each local education authority in England in 1984 were:

	Percentage of pupils in		
	Comprehensive Schools	*Secondary Modern Schools*	*Grammar Schools*
Barking	100	—	—
Barnet	91	—	6
Bexley	48	22	11
Brent	100	—	—
Bromley	94	—	6
Croydon	100	—	—
Ealing	100	—	—
Enfield	94	—	6
Haringey	100	—	—
Harrow	81	—	—
Havering	100	—	—
Hillingdon	97	3	—
Hounslow	100	—	—
Kingston-upon-Thames	8	74	18
Merton	100	—	—
Newham	100	—	—
Redbridge	91	—	9
Richmond-upon-Thames	100	—	—
Sutton	29	47	24
Waltham Forest	100	—	—
Inner London	94	—	—
Birmingham	90	—	7
Coventry	100	—	—
Dudley	97	—	—
Sandwell	96	—	—
Solihull	94	—	—
Walsall	95	—	5
Wolverhampton	97	—	3
Knowsley	100	—	—
Liverpool	95	—	2
St. Helens	100	—	—
Sefton	98	—	—
Wirral	64	19	17
Bolton	96	—	—
Bury	90	—	—
Manchester	87	—	—
Oldham	100	—	—
Rochdale	100	—	—
Salford	92	—	—
Stockport	99	—	—
Tameside	92	—	—
Trafford	5	59	36
Wigan	95	—	—
Barnsley	97	—	—
Doncaster	100	—	—
Rotherham	98	—	—
Sheffield	100	—	—
Bradford	100	—	—
Calderdale	47	30	23
Kirklees	89	4	2
Leeds	100	—	—
Wakefield	100	—	—
Gateshead	100	—	—
Newcastle upon Tyne	100	—	—
North Tyneside	95	—	—
South Tyneside	100	—	—
Sunderland	100	—	—
Avon	97	—	2
Bedfordshire	96	—	—
Berkshire	84	9	7
Buckinghamshire	25	44	31
Cambridgeshire	97	—	—
Cheshire	98	—	—
Cleveland	92	—	—
Cornwall	97	—	—
Cumbria	97	1	1
Derbyshire	100	—	—
Devon	71	17	9
Dorset	47	22	13
Durham	99	—	—
East Sussex	95	—	—
Essex	89	3	5
Gloucestershire	62	20	18
Hampshire	91	—	—
Hereford & Worcester	97	—	2
Hertfordshire	100	—	—
Humberside	99	—	—
Isle of Wight	100	—	—
Kent	45	35	17
Lancashire	89	6	3
Leicestershire	96	—	—
Lincolnshire	40	40	20
Norfolk	95	1	3
North Yorkshire	78	12	8
Northamptonshire	100	—	—
Northumberland	99	—	—
Nottinghamshire	98	—	—
Oxfordshire	98	—	—
Shropshire	90	3	2
Somerset	97	—	—
Staffordshire	99	—	—
Suffolk	100	—	—
Surrey	90	—	—
Warwickshire	65	23	7
West Sussex	95	—	—
Wiltshire	90	6	4
England	89	5	3

Nursery Schools

Mr. Pike asked the Secretary of State for Education and Science how many new nursery schools or nursery classes were opened in 1984 and how many were closed.

Mr. Dunn: Information is not available in the form requested. However, between January and November 1984, 76 proposals made under sections 12 or 13 of the Education Act 1980 were approved by my right hon. Friend, or determined by the local education authority concerned, to change significantly the character of primary schools by the introduction of nursery classes. During the same period my right hon. Friend approved no proposals to close nursery schools or to cease providing nursery classes in primary schools. The continuing need to remove surplus school places from use did result, however, in the approval or local determination of proposals to close a number of primary schools which provided nursery classes. In such cases local education authorities normally ensure that alternative nursery provision is available, and the availability of such an alternative is one of the factors which my right hon. Friend takes into account when considering these proposals.

Adult Education

Mr. Freud asked the Secretary of State for Education and Science what study has been made by his Department of the effects on local authority provision and the take-up of places on adult education courses since the enforcement of their liability to value added tax.

Mr. Brooke: No formal study has been undertaken or is planned, but what information is available to the

Department suggests value added tax liability for adult education classes has not been as severe as had been feared by some.

Mr. Freud asked the Secretary of State for Education and Science what has been the average percentage increase in the fees charged for adult education courses from 1983-84 to 1984-85; and whether he will break down this figure into courses *(a)* liable and *(b)* not liable for value added tax.

Mr. Brooke: This information is not available.

Mr. Freud asked the Secretary of State for Education and Science whether he is satisfied with the current financial arrangements for adult education classes.

Mr. Brooke: The financial arrangements for local education authority adult education classes are for the individual authority concerned to determine. The financial arrangements for university extra-mural departments and the Workers Educational Association, which are aided by my right hon. Friend, are being adjusted as from 1985-86.

Children (Education Services)

Mr. Brandon-Bravo asked the Secretary of State for Education and Science if he will introduce legislation requiring local education authorities, in their provision of services to children in their area, not to discriminate in the quality or extent of provision of services on the grounds that the children are educated at a school other than a local education authority maintained school; and if he will make a statement.

Mr. Dunn: The Government would deplore any attempt at such discrimination. My right hon. Friend is ready, under existing legislation, to take action against any authority which he was satisfied was acting unreasonably —in the sense in which that word has been interpreted by the courts—in this regard.

Universities (Proceeds of Sales)

Mr. Watts asked the Secretary of State for Education and Science if he has any plans to change the rules governing the retention by universities of the proceeds of sale of Exchequer-funded property; and if he will make a statement.

Sir Keith Joseph: On 21 January 1982, at column 182, I announced the experimental introduction of new arrangements to allow universities greater freedom to retain the proceeds of sale of land or buildings acquired with assistance from public funds. The purpose of these arrangements was to help universities to make the most economic and efficient use of accommodation and to identify property that was not being fully or effectively used and might be surrendered.

Before the introduction of the new arrangements a university that sold property it wished to replace by new buildings or adaptation might, with Treasury agreement, be given a special grant towards the cost up to the amount of the proceeds surrendered. The revised arrangements announced in January 1982 further provided for universities to be able to retain up to 100 per cent. of proceeds of sale up to £100,000 for use within two years on building or adaptation work. Where the proceeds of sale were more than £100,000 the university could either retain £100,000 under the rules for the smaller projects or up to 50 per cent. of the proceeds of sale for use within three years on building or adaptation work or the acquisition of property.

Following consultation with the University Grants Committee I am satisfied that these arrangements have contributed to the capacity of universities to make the most effective use of their sites and properties and that it would be appropriate to consolidate and extend them. Universities will be informed in detail of the new arrangements by the UGC, but the main features are as follows:

(a) Where a university disposes of sites or properties (including leases of 25 years or more) the university will be allowed to retain up to £200,000 of the proceeds of sale on condition that:
  (i) the committee is notified of the university's proposal to dispose of the property and of the purpose to which it is proposed to use the proceeds;
  (ii) the sale proceeds are used within three years of receipt by the university on building or adaptation work, repairs or maintenance or the acquisition of property. Sale proceeds may be used (subject to Treasury approval) for projects related to university/industry collaboration.

(b) Where a university disposes of property where the proceeds of sale are more than £200,000 the university may with the UGC's approval and as an alternative to *(a)* above retain up to half of the proceeds of sale for the purposes and on the conditions outlined in *(a)* above.

(c) Universities will also be allowed (subject to the approval of UGC) to use up to 100 per cent. of the proceeds of sale on cost-effective schemes to rationalise or replace existing facilities.

(d) Proceeds of sale and any accuring interest not used as provided for above will be surrendered to the Consolidated Fund. Universities will be expected to be able to account separately for the retained proceeds of sale and any related interest.

(e) Assets acquired with general income will be covered by the same general rules as assets financed from capital grant, although any amount to be surrendered to the Consolidated Fund will be calculated taking account of the proportion of general income coming from non-Exchequer sources at the time the asset was acquired.

(f) The limit on the amount universities may spend on minor works will be increased from 3 per cent. to 4 per cent. of recurrent grant.

(g) Universities will be allowed to retain rents from properties which are in commercial use of benefit to the institution concerned and rents from properties occupied by displaced tenants. Net rental income from any other Exchequer-funded property not in normal university use will continue to be returned to the Consolidated Fund unless the UGC exceptionally agrees otherwise. The case for the university continuing to hold such property will be kept under review by the UGC.

AGRICULTURE, FISHERIES AND FOOD

Whisky (Labelling)

Mr. Foulkes asked the Minister of Agriculture, Fisheries and Food in what form he intends to propose to require labelling of whisky of various alcoholic strengths; whether such requirements will include the term understrength or the percentage of alcohol; and if he will make a statement.

Mrs. Fenner: I refer the hon. Member to the reply given to my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle) on 22 November 1984 at columns *267-68*. We are still considering the ways in which the labelling of understrength spirits shall be improved and we will be announcing our proposals in a few weeks' time.

Soft Drinks (Regulations)

Mr. Shersby asked the Minister of Agriculture, Fisheries and Food what proposals he has made to the soft drinks industry for the amendment of the Soft Drink Regulations 1976.

Mrs. Fenner: We have made no proposals to the soft drinks industry for the amendment of the Soft Drinks Regulations 1964. However, my officials have had informal discussions with the industry on possible updating of these regulations which were the subject of a report by the Food Standards Committee in 1976.

Shellfish

Mr. Gareth Wardell asked the Minister of Agriculture, Fisheries and Food if he is aware of any pollution of the marine environment surrounding the British Isles that detrimentally affects the development of shellfish.

Mr. MacGregor: Certain types of marine pollution are potentially detrimental to shellfish. Accordingly, discharges into the marine environment are subject to a range of statutory controls.

Annual Review

Mr. Robert Atkins asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the 1985 annual review of agriculture.

Mr. Jopling: A White Paper setting out the conclusions of the 1985 annual review of agriculture will be laid before Parliament today. The White Paper shows that gross output in current prices is forecast to rise by 6 per cent. in 1984 to £12,349 million. This reflects increases in the value of output of nearly all major commodities but most noticeably in the arable sector where production was helped by the exceptionally favourable growing conditions. The only major sector to show a decline in output was milk and milk products. This was due in part to the milk qouta scheme and in part to the very dry summer.

Due largely to the exceptional weather conditions, farm incomes showed a significant recovery during 1984 and on one measure, "farming income", increased by some 22 per cent. to £1,826 million. In real terms, however, farm incomes remain some 8 per cent. below the 1982 level and well below the levels achieved in the mid-1970s. The profitability of the intensive livestock sectors showed a welcome improvement during the year. Otherwise there has continued to be an imbalance between the relatively prosperous arable sectors and the livestock sectors. This underlines the urgent need for reform of the CAP.

DEFENCE

"Jim Davidson's Falklands Special" (ITV Programme)

Mr. Dalyell asked the Secretary of State for Defence what was the cost to public funds of the Independent Television programme entitled "Jim Davidson's Falklands Special", transmitted on Christmas Eve 1984.

Mr. Stanley: The television programme itself was made at no cost to public funds. None of the costs of the tour of Ascension Island and the Falklands were borne from public funds with the exception of some costs, largely transport, of the combined services entertainment team which amounted to some £12,000. Thirteen shows were given to service audiences who greatly appreciated them.

Trident

Mr. Speed asked the Secretary of State for Defence if he will list the additional capital works, their cost and timetable that are required for the Trident project at Rosyth dockyard and Clyde naval base, respectively.

Mr. Butler: The capital works required at the Clyde submarine base and Rosyth dockyard include handling, storage, armament processing, berthing, docking, engineering, training and refitting facilities. They will be needed to support not only the Trident submarines but also the expanding fleet of nuclear powered fleet submarines (SSNs).

In presenting the 1984 notice of outline planning development and its accompanying environmental impact assessment for the Clyde submarine base, the Department provisionally estimated the overall construction costs at some £350 million. The comparable costs at Rosyth are estimated at some £200 million. All these facilities will be available in phase with requirements.

Type 22 Warship

Mr. Nicholas Brown asked the Secretary of State for Defence if it is now his intention to award the pending naval order for the two type 22 warships to one or more of the three short listed yards solely on the basis of the most commercially competitive tenders received.

Mr. Lee: I shall answer shortly.

National Radiological Protection Board (Survey)

Mr. Alton asked the Secretary of State for Defence how much money was paid to the National Radiological Protection Board in connection with its survey of the records of atomic test veterans in 1983 and 1984; and how much the board will receive in 1985.

Mr. Butler: It is not the practice of the Ministry of Defence to disclose such precise information, which is "Commercial in Confidence", but it is anticipated that the total cost will be about £300,000.

Falkland Islands (Anniversary Service)

Mr. Dalyell asked the Secretary of State for Defence if he will make a statement on his plans for a third anniversary service and parade at St. Paul's to commemorate the Argentine surrender in the Falklands.

Mr. Stanley: As my right hon. Friend the Secretary of State for Defence announced on 21 December 1984, at columns 375-76, the service to which the hon. Member refers is a commemorative one to mark the unveiling of a south Atlantic campaign memorial bearing the names of all those who lost their lives.

Falklands Veterans (Benefits)

Mr. Dalyell asked the Secretary of State for Defence what is the precise nature of the action which his

Department is taking to ensure that benefits available to service men as a result of the Falklands war are well known.

Mr. Stanley: As far as benefits for which my Department is responsible are concerned, awards under the armed forces pension scheme are made as a matter of course to those service men who are eligible. No publicity is considered necessary, and we have no reason to think that awards have not been made to every eligible service man.

HMS Repulse

Mr. Foulkes asked the Secretary of State for Defence what incidents involving HMS Repulse have been reported to his Department; what action he has taken as a result; and if he will make a statement.

Mr. Stanley: Reports on the activities and deployments of all submarines in the Polaris force are made regularly to my Department. It would not be in the public interest to detail these. If the hon. Member wishes to inform me of any particular incident he has in mind, I will see if I can assist him.

HMS Conqueror (Crew Members)

Mr. Foulkes asked the Secretary of State for Defence if all those crew members of HMS Conqueror who left the Royal Navy after the Falklands war were asked to sign MOD form 135.

Mr. Stanley: Yes.

HMS Conqueror (Missing Log Book)

Mr. Foulkes asked the Secretary of State for Defence what progress has been made in discovering the whereabouts of the missing log of HMS Conqueror.

Mr. Stanley: I cannot at present add to the answer my right hon. Friend the Secretary of State for Defence gave to my hon. Friend the Member for Vale of Glamorgan (Sir R. Gower) on 30 November 1984 at columns *593-94*.

Mr. N. Sethia (Diary)

Mr. Foulkes asked the Secretary of State for Defence what recent steps he has taken concerning the classification of the diary of Mr. N. Sethia, a crew member of HMS Conqueror; and if he will make a statement.

Mr. Stanley: As my right hon. Friend the Secretary of State for Defence said in his reply to the hon. Member on 30 November, at column *594*, the diary contains classified information. This assessment remains unchanged.

Tendering Procedures

Mr. Ashdown asked the Secretary of State for Defence what organisational changes he has made in order to cope with the new open tendering system; and *(a)* how many extra staff have been taken on to cope with tendering procedures and *(b)* what new departments or sections have been established to handle tendering.

Mr. Butler: The Department's policy of opening defence requirements to as many companies as possible has not led to any changes in organisation. No additional staff have been recruited for this purpose, nor have any new departments or sections been established.

ENVIRONMENT

Unused Land

Mr. Heddle asked the Secretary of State for the Environment whether he will reduce the minimum criteria for the inclusion of unused and under-used parcels of land in public land registers from one acre to half an acre.

Mr. Macfarlane: My right hon. Friend does not propose to do so at present. The resources that would be required for this task are at this stage better devoted to securing the disposal of or bringing into use land that is currently registered.

Ironstone Mineworkings (Walsall)

Mr. George asked the Secretary of State for the Environment if he will estimate the extent of former ironstone mineworkings in the metropolitan district of Walsall; and what action Her Majesty's Government propose to take to seek to minimise the consequences.

Mr. Macfarlane: Ironstone was mined in several areas in Walsall during the 19th century, often in association with coal and sometimes with limestone. The exact extent of former ironstone workings is not known. However, most such workings are at some depth, and it is likely that they are completely collapsed and pose little threat to surface development.

In contrast, limestone workings remain largely uncollapsed, and the area potentially affected by such underground workings in Walsall is approximately 370 hectares (about 3·5 per cent. of the borough's land area). Following completion of the study of limestone workings in the west midlands by Ove Arup and Partners, which was published in July 1983, Walsall borough council is currently undertaking intensive investigations, funded by my Department's derelict land grant, to resolve uncertainties and determine the need for treatment. The Black Country Limestone Advisory Panel, chaired by Sir Edward Parkes, will continue to advise my right hon. Friend the Secretary of State on priorities and value for money in relation to investigations and remedial measures, and funds will be made available for such further investigations and treatment as are considered necessary.

Southern Water Autority

Mr. Warren asked the Secretary of State for the Environment if the increased revenue to the Southern water authority which will arise from the planned increase in charges for each of the next three years can be spent by the authority on capital works without any constraints imposed by Her Majesty's Government.

Mr. Macfarlane: The Government set financial targets and external finance limits for water authorities each year. The higher financial target being set for 1985-86 should allow Southern water, consistently with its external finance limit for that year, to increase its spending on capital works by about 10 per cent. and further increases are provisionally planned for later years.

Local Government Reform

Mr. Fatchett asked the Secretary of State for the Environment what savings in 1986-87 and 1987-88 to the

domestic ratepayer in West Yorkshire he envisages from the proposed abolition of the West Yorkshire metropolitan county council.

Mr. Waldegrave: I envisage that rates in West Yorkshire in 1986-87 and 1987-88 will be lower than they would otherwise have been as a result of the savings flowing from the abolition of the West Yorkshire county council.

Housing Authorities (Capital Receipts)

Mr. Chope asked the Secretary of State for the Environment, in respect of each housing authority in England, what is the estimated amount of capital receipts from the sale of dwellings under shared ownership, improvement for sale and homesteading in 1984-85.

Sir George Young: I regret that the information is not available.

Mr. Chope asked the Secretary of State for the Environment, in respect of each housing authority in England, what is the estimated amount of capital receipts from housing land in the year 1984-85.

Sir George Young: It is estimated that some £100 million of capital receipts from the sale of housing land will be generated by local authorities in England in 1984-85. Information on the amount generated by each local authority is available only for the first six months of 1984-85. I am today placing the details in the Library.

Local Authorities (Capital Receipts)

Mr. Chope asked the Secretary of State for the Environment by how much it is estimated each English local authority's usable capital receipts in 1985-86 would increase if the prescribed portion of usable capital receipts from housing land were to remain at 100 per cent. rather than 30 per cent.

Sir George Young: The information is not available at individual local authority level. Capital receipts from the sale of housing land are forecast at £100 million in 1985-86. At a prescribed proportion of 100 per cent. local authorities in total would therefore be able to supplement their basic housing investment programme allocations by £100 million rather than £30 million.

Mr. Chope asked the Secretary of State for the Environment by how much it is estimated each English local authority's usable capital receipts in 1985-86 would increase if the prescribed portion of usable capital receipts for the sale of dwellings with shared ownership, improvement for sale and homesteading were to remain at 100 per cent.

Sir George Young: The information is not available at individual local authority level. Capital receipts from the sale of local authority dwellings under build for sale, improvement for sale, homesteading and shared ownership initiatives are forecast at £27 million in 1985-86. At a prescribed proportion of 100 per cent., local authorities would therefore be able to supplement their basic housing investment programme allocations by £27 million rather than £8·1 million.

Mr. Chope asked the Secretary of State for the Environment, in respect of each housing authority in England, what are the forecast capital receipts in 1985-86 giving rise to the published total of £1,595 million.

Sir George Young: The Department does not make forecasts of capital receipts at the individual authority level. Details of the forecast for 1985-86, by type of receipt, were given in reply to the hon. Member for Norwood (Mr. Fraser) on 12 December 1984, at column 500.

Housing Investment Programme

Mr. Chope asked the Secretary of State for the Environment (1) what is the proportion of the proposed housing investment programme allocation for Southampton city council in 1985-86 which is attributable to the exercise of ministerial discretion;

(2) what is the proportion of the proposed housing investment programme allocation for Southampton city council in 1985-86 which is attributable to each of the indicators in the generalised needs index;

(3) what is the proportion of the proposed housing investment programme allocation for Southampton city council in 1985-86 which is attributable to the defective dwellings indicator in the generalised needs index.

Sir George Young: Approximately 62 per cent. of Southampton's housing investment programme allocation for 1985-86 is attributable to the application of the generalised needs index and 38 per cent. is attributable to ministerial discretion. Full details of the GNI scores for Southampton and all other authorities are in the Library.

Mr. Higgins asked the Secretary of State for the Environment if he will reconcile the figures in his Department's letter to local authorities, dated 20 December 1984, regarding housing investment programme allocations 1985-86 with his statement on 19 December, *Official Report*, column 306, that the overspend on council's capital programme could amount to £1 billion or more.

Mr. Patrick Jenkin [*pursuant to his reply*, 14 January 1985, c. 5]: There is no direct connection between the figures. The figure of £1 billion which I used on 19 December 1984 referred to the possible level of overspend, on all the services covered by the main local authority cash limit taken together, which could have occurred in 1985-86 if action had not been taken to reduce the risk of a breach of the cash limit. That action includes reducing the rate at which capital receipts can be used. The figures in the Department's letter of 20 December explain the make-up of the gross provision of £2,324 million for housing investment alone by local authorities in 1985-86.

Radioactive Waste (Salford)

Mr. Carter-Jones asked the Secretary of State for the Environment how many representations he has received protesting against the dumping of radioactive waste material in the Lumn's lane area of Salford; and if he will make a statement.

Mr. Waldegrave: The Department has received 53 representations, comprising petitions and letters from individuals, protesting against the disposal of low-level radioactive waste at Greater Manchester council's waste disposal site at Lumn's lane, Salford.

The four authorisations granted under the Radioactive Substances Act 1960 permit controlled disposal of low-level radioactive waste. They were issued following a thorough assessment of the suitability of the site by the

Radiochemical Inspectorate in consultation with local and other authorities concerned. Most of the waste arises from essential medical and research work in the area and the disposals need to take place so that the work may continue. Disposals have taken place at similar sites in Greater Manchester for many years and no hazard has arisen as a result. My right hon. Friend has carefully considered the representations but he is satisfied as to the safety of the disposals authorised which relate to waste at very low levels of radioactivity.

Private Rented Accommodation

Mr. Heddle asked the Secretary of State for the Environment, pursuant to his answer to the hon. Member for Bournemouth, East (Mr. Atkinson) on 20 December, *Official Report*, column 266, if he will now define in detail what further steps are being considered to build on measures already taken by the Government since 1979 to encourage a greater availability of accommodation for rent in the private sector.

Sir George Young: My right hon. Friend is examining all the legislation relating to the private rented sector. I cannot speculate on the outcome.

Regional Industrial Assistance

Mr. Ron Davies asked the Secretary of State for the Environment if he will give the total expenditure by local authorities for each region in England on regional industrial assistance for each year since 1979 in cash and real terms using 1984 as the base year.

Mr. Waldegrave: I shall answer this question shortly.

Hydrocarbons (Exploration)

Mr. Stephen Ross asked the Secretary of State for the Environment what representations he has received concerning the need to safeguard the environment of rural areas especially sensitive to development from disturbances caused as a result of exploration for hydrocarbons.

Mr. Macfarlane [*pursuant to his oral reply*, 28 November 1984, c. 925-26]: My Department has today issued a circular to local authorities containing guidelines for planning control over oil and gas operations. I am placing a copy in the Library of the House. This publication fulfils the commitment I gave in April last year to issue guidelines to mineral planning authorities. I am grateful to everyone who commented on the draft circular when it was issued for consultation in August last year.

ARTS

Manchester Opera Festival

Mr. Arnold asked the Parliamentary Under-Secretary of State answering in respect of the Arts what representations the Arts Council has received about the financing of the proposed Manchester opera festival in the summer of 1986; whether any meetings are proposed with the organisers of the festival; and if he will make a statement.

Mr. Waldegrave: The management of the Palace theatre, Manchester, has asked the Arts Council to commit itself to subsidising the opera festival planned for 1986-87. The council has indicated its interest but cannot commit itself to the expenditure of money which Parliament has not yet voted.

WALES

Cervical Cancer Screening

39. **Mrs. Clwyd** asked the Secretary of State for Wales whether he is satisfied with the provisions for cervical cytology screening by the Mid-Glamorgan family practitioner committee.

Mr. Wyn Roberts: In Mid-Glamorgan, as elsewhere in Wales, a cervical cytology screening service is available from general medical practitioners, family planning clinics and local health authority clinics as well as through antenatal, postnatal and gynaecological outpatient clinics.

Mid-Glamorgan family practitions committee operates a system for recalling patients for further routine screening. At present there is a backlog of patients awaiting recall and the Mid-Glamorgan health authority, which is responsible for the provision and monitoring of screening facilities, is currently considering with the family practitioner committee how best to alleviate this problem.

Regional Aid

Mr. Ron Davies asked the Secretary of State for Wales if he will give the total expenditure by local authorities in Wales on regional industrial assistance for each year since 1979 in cash and real terms using 1984 as the base year.

Mr. Nicholas Edwards: Local authorities provide a wide range of services which are of benefit to industry in their areas. Comprehensive information could not be meaningfully provided. However, some information is available from the annual outturn forms as follows:

	Grants and advances for industrial and commercial purposes		*Capital expenditure on industrial estates*	
	Cash	*1984-85 prices**	*Cash*	*1984-85 prices**
1979-80	296	450	3,941	5,997
1980-81	1,475	1,892	8,890	11,405
1981-82	164	191	7,717	9,002
1982-83	1,397	1,528	16,024	17,526
†1983-84	1,012	1,060	17,442	18,270

* Deflated to 1984-85 prices using the GDP deflator.
† Provisional.
Note:
The information has been derived from the annual capital outturn forms.

Mr. Ron Davies asked the Secretary of State for Wales if he will estimate the per capita spending on regional aid by central Government in Wales for each year since 1979.

Mr. Nicholas Edwards: The per capita spending on regional aid by central Government in Wales since 1978-79 in the years ended 31 March was:

	£
1978-79	62
1979-80	61
1980-81	100
1981-82	116
1982-83	106
1983-84	66

The highest figures for the years 1980-81 to 1982-83 largely reflect the regional development grant payments towards a few major capital intensive projects.

Mr. Ron Davies asked the Secretary of State for Wales what, in respect of the year 1983-84, was the total number of jobs created in Wales by means of selective financial assistance; and what is his estimate of the average cost of such jobs created.

Mr. Nicholas Edwards: Offers of regional selective assistance accepted in the year ended 31 March 1984 for projects in Wales were expected to lead to the creation of 11,846 jobs. The average cost of regional selective assistance for each of these jobs is estimated at £2,682.

Mr. Ron Davies asked the Secretary of State for Wales what was the number of applications for selective financial assistance approved by the Welsh Office in 1983-84.

Mr. Nicholas Edwards: In the year ended 31 March 1984, 307 applications for regional selective assistance were approved by the Welsh Office.

EC (Regional Development Fund)

Mr. Ron Davies asked the Secretary of State for Wales if he will list by district in Wales how much European regional development fund aid committed to Wales to date has been devoted to *(a)* infrastructural projects and *(b)* industrial projects; and if he will give the total for Wales in each category.

Mr. Nicholas Edwards: The information is as follows:

District Area	*Allocation to infrastructure projects £ million*	*Allocation to industrial projects £ million*	*Total £ million*
Aberconwy	1·3	0·1	1·4
Afan	1·2	0·01	1·2
Alyn and Deeside	4·5	8·7	13·2
Arfon	1·5	0·2	1·7
Blaenau Gwent	12·1	5·9	18·0
Brecknock	0·4	0·3	0·7
Cardiff	35·5	2·6	38·1
Carmarthen	0·4	0·02	0·4
Ceredigion	1·2	0·1	1·3
Colwyn	0·4	—	0·4
Cynon Valley	4·3	0·5	4·8
Delyn	2·1	0·05	2·2
Dinefwr	0·8	0·5	1·3
Dwyfor	0·9	0·1	1·0
Glyndwr	0·3	0·2	0·5
Islwyn	1·3	1·7	3·0
Llanelli	5·8	—	5·8
Lliw Valley	0·8	1·4	2·2
Meirionnydd	1·3	0·03	1·3
Merthyr Tydfil	5·7	0·3	6·0
Monmouth	2·5	5·6	8·1
Montgomery	0·5	0·4	0·9
Neath	1·7	0·3	2·0
Newport	14·0	6·1	20·1
Ogwr	4·8	1·4	6·2
Preseli	3·4	0·1	3·5
Radnor	0·8	0·1	0·9
Rhondda	1·9	0·5	2·4
Rhuddlan	1·1	0·1	1·2
Rhymney	3·0	0·5	3·5
South Pembrokeshire	1·3	0·06	1·4
Swansea	12·7	3·2	15·9
Taff Ely	3·7	0·05	3·8
Torfaen	7·6	0·7	8·3
Vale of Glamorgan	1·0	19·0	20·0
Wrexham Maelor	6·0	7·7	13·7
Ynys Môn	3·5	0·1	3·6
Not capable of disaggregation by district	21·2	—	21·2
Wales	172·5	68·6	241·2

Notes:

1. All figures have been independently rounded. Individual components will not therefore sum to the all Wales total.
2. All figures are net of decommitments notified by the European Commission.

Welsh Development Agency

Mr. Ron Davies asked the Secretary of State for Wales (1) if he will provide an estimate of the number of jobs created by the Welsh Development Agency *(a)* in Wales as a whole and *(b)* by county in Wales since 1979;

(2) if he will give the total expenditure by the Welsh Development Agency for each year since 1979 by county in Wales.

Mr. Nicholas Edwards: I have asked the Welsh Development Agency to write to the hon. Gentleman.

Wintex '85

Mr. D. E. Thomas asked the Secretary of State for Wales if he will make a statement on Welsh Office involvement in Wintex '85.

Mr. Nicholas Edwards: Two officers of the Department will attend some of the meetings.

Regional Emergency Committee

Mr. D. E. Thomas asked the Secretary of State for Wales what was the date of the last meeting of the regional emergency committee for Wales; what were the reasons for convening the committee at that time; and if he will make a statement on the committee's deliberations.

Mr. Nicholas Edwards: Officers representing departments and organisations likely to be involved if the Wales emergency committee were set up met on 20 November 1984 to consider their role under the arrangements described in Home Office circular No. ES 2/1984.

Mr. D. E. Thomas asked the Secretary of State for Wales if he will list the members of, and organisations or departments involved in, the regional emergency committee for Wales.

Mr. Nicholas Edwards: It is not practicable to define membership more precisely than in Home Office circular No. ES2/1984. Emergency committees are not standing bodies and their membership would reflect the need at the time they were constituted.

Mr. D. E. Thomas asked the Secretary of State for Wales what are the powers of the regional emergency committee for Wales; and under what circumstances it would assume these powers.

Mr. Nicholas Edwards: The Wales emergency committee, as such, would have no powers, although its individual members would have such powers as might be delegated to them by their own Ministers or organisations.

Mr. D. E. Thomas asked the Secretary of State for Wales whether the regional emergency committee for Wales, as referred to in Home Office circular No. ES2/84, will be convened between 26 February and 16 March.

Mr. Nicholas Edwards: There are no plans fpr any such meeting.

SCOTLAND

Hip Operations

Mr. Maclennan asked the Secretary of State for Scotland how many people living within the Highland health board area currently await hip replacement operations; and what is the present waiting time for such operations.

Mr. John MacKay: This information is not available centrally.

Standard Grade Examination

Mr. Corrie asked the Secretary of State for Scotland if he will make a statement on the length of the delay in introducing phases 2 and 3 of the standard grade examination reform for 14 to 16-year-olds.

Mr. Younger: Following advice from the Convention of Scottish Local Authorities given in the light of the action by members of the Educational Institute of Scotland to boycott curricular developments, I announced on 11 December that phases 2 and 3 of the implementation of standard grade would have to be postponed. I have now decided that the period of postponement should be limited to one year: subjects due to be introduced in 1985 as part of phase 2 of the programme will therefore now be introduced in 1986 for first examinations in 1988; and phase 3 will follow one year later. I very much regret this delay, which has been caused by the irresponsible actions of the EIS. I hope, however, that the additional time can be used constructively to prepare for the new courses. In line with our continuing commitment to the introduction of standard grade, the Government will play their full part, in consultation with the educational interests involved, in ensuring that these courses are effectively prepared and taught.

I confirm that the courses in phase 1 subjects, English, Mathematics, General Science and Social and Vocational Skills, which have already started, will continue as planned for first examinations in 1986. I look to the teachers to fulfil their responsibilities for preparing and teaching these courses; and we for our part are looking for ways of helping them to do so, consistent with the essential principles of standard grade. For this reason I have already made it clear that up to a further £100,000 will be made available in the current financial year for the preparation and distribution of relevant teaching materials. This is in addition to the substantial help which has already been provided.

European Regional Development Fund

Mr. Wallace asked the Secretary of State for Scotland (1) what discussions he has had with the European Economic Community Commission regarding the eligibility for European regional development fund assistance of areas within the Highlands and Islands Development Board area, which no longer enjoy regional development status;

(2) whether areas within the Highlands and Islands Development Board area, which no longer enjoy regional development status, will continue to qualify for assistance from the European regional development fund.

Mr. Allan Stewart: As I indicated in my replies on 3 and 6 December, at columns 42 and 263, to the hon. Members for Ross, Cromarty and Skye (Mr. Kennedy) and for Caithness and Sutherland (Mr. Maclennan), the eligibility of the board's area for European regional development fund assistance has not been affected by the recent changes to the assisted area map.

NHS (Expenditure)

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what has been the increase in spending on the National Health Service in Scotland in real terms giving the percentage increase, for the period from May 1979 to date, and for each year giving the figures and the percentage increase in real terms year by year; and what are the most up-to-date plans for the future.

Mr. John MacKay: Gross expenditure on the National Health Service in Scotland from 1979 is as follows:

	£ million cash
1979-80	1,053
1980-81	1,331
1981-82	1,519
1982-83	1,648
1983-84	1,758
*1984-85	1,900

* Provisional.

In cash terms, gross expenditure has increased since 1979-80 by over 80 per cent. This has enabled health services to expand by over 7 per cent. The Government's plans for public expenditure in Scotland in 1985-86, announced by my right hon. Friend on 13 December, provide for an increase of £94 million net for the NHS or about 5 per cent. more than expected expenditure in 1984-85.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether he will give a breakdown of the figures of the increase in resources to health boards in Scotland between 1983-84, 1984-85 and 1985-86; and if he will publish a table indicating the increases in real terms for each health board, as well as the average for the whole of Scotland.

Mr. John MacKay: My right hon. Friend announced on 13 December 1984 that cash provision for the hospital and community health services programme and associated centrally managed programmes in 1985-86 would be some £75 million higher than this year's level of expenditure. This represents an increase of 5·5 per cent., 1 per cent. more than the forecast level of inflation.

Allocations to individual health boards for 1985-86 have yet to be determined. Cash allocations to health boards for 1984-85, and the increase these represent over allocations for 1983-84, are as follows:

£000

Health boards	1984-85 recurrent expenditure allocation (net)	Increase over 1983-84 allocations Cash	Percentage
Argyll and Clyde	93,066	5,306	6·05
Ayrshire and Arran	63,601	4,380	7·40
Borders	18,707	1,287	7·39
Dumfries and Galloway	33,115	2,179	7·04
Fife	61,473	4,319	7·56
Forth Valley	59,986	3,870	6·90
Grampian	112,558	7,708	7·35
Greater Glasgow	343,543	18,878	5·81
Highland	47,571	2,979	6·68
Lanarkshire	104,552	6,881	7·05
Lothian	206,832	12,945	6·68
Orkney	3,412	252	7·97
Shetland	4,277	340	8·64
Tayside	121,113	6,225	5·42
Western Isles	6,448	539	9·12
Total	1,280,254	78,088	
Average			6·51

Notes:

1. The figures are for allocations to health boards for recurrent expenditure commitments. In addition, £35 million was allocated to boards for their ordinary capital programmes in 1984-85, against £32 million in 1983-84—an increase of 9·4 per cent.

2. The figures for the 1984-85 allocations differ from those which I provided for the hon. Member on 19 March 1984 because they take account of the abolition of the national insurance surcharge in the 1984 Budget, and also of a contribution from the Contingency Reserve towards the excess costs of 1984 NHS pay settlements to be met by health boards.

Hospital Building Programme

Lord James Douglas-Hamilton asked the Secretary of State for Scotland which hospital building programme schemes in Scotland are now in progress or will be instituted; and what are the allocations for 1984-85 and for 1985-86.

Mr. John MacKay: Under the centrally financed major programme for Health Service building in Scotland, schemes are currently under construction at:

Merchiston Hospital, Paisley
New Paisley District General Hospital
New Borders District General Hospital, Melrose
New Fife College of Nursing, Kirkcaldy
Stirling Royal Infirmary
Falkirk Royal Infirmary
New Forth Valley College of Nursing, Falkirk
Leverndale Hospital, Glasgow
Caithness Central Hospital, Wick
Inverness Central Hospital
Kirklands Hospital Phase IA, Bothwell
Western General Hospital, Edinburgh
New West Lothian District General Hospital Phase I, Livingston
Murray Royal Hospital, Perth

Planning and design work are underway on further schemes at:

Ayrshire Central Laundry, Irvine
Geriatric Unit, Annan
Bonnybridge Hospital
Ladysbridge Laundry, Banff
Glasgow Eastern District College of Nursing
Rutherglen Hospital
Glasgow Eastern District Psychiatric Centre
Lennox Castle Hospital, Lennoxtown
Craig Dunain Hospital, Inverness
Kirklands Hospital Phase II, Bothwell
Edinburgh Royal Infirmary, Burns Unit
Princess Margaret Rose Hospital, Edinburgh, Spinal Paralysis Unit
City Hospital, Edinburgh, Central Pharmacy and Stores
South Lothian College of Nursing
West Lothian District General Hospital, Phase II, Livingston
Gilbert Bain Hospital, Lerwick
Perth Royal Infirmary

Details are not held centrally of the smaller schemes determined locally by individual health boards. These, together with expenditure on equipment and upgrading boards' capital stock, account for around half of total capital funding.

The amount available for capital expenditure by health boards in 1984-85 is £112·3 million. Provision for 1985-86 will be of the same order; I hope to announce details shortly.

NHS (Manpower)

Lord James Douglas-Hamilton asked the Secretary of State for Scotland how many new doctors, nurses and auxiliary staff have been employed by the National Health Service in Scotland since May 1979, giving separate figures for each category year by year, to date, indicating the net increase in numbers for each category since May 1979.

Mr. John MacKay: Figures for new doctors, nurses and auxiliary staff are not held centrally. the whole-time equivalent numbers of staff in post from 1979 to 1984 are as follows, with the net and percentage increases for each category:

	1979	1980	1981	1982	1983	1984*	Increase	Percentage Increase
Medical staff in the hospital and community services	5,426·4	5,441·2	5,436·4	5,545·6	5,583·1	5,592·4	166·0	3·1
General practitioners†	3,190·0	3,256·0	3,345·0	3,392·0	3,460·0	3,541·0	351·0	11·0
Nursing and Midwifery	38,781·2	40,442·7	42,514·3	43,699·6	44,633·6	44,685·2	5,904·0	15·2
Nursing auxiliary/assistant	17,256·0	18,159·8	18,611·2	18,279·6	17,761·9	17,274·6	18·6	0·1

* All 1984 figures are provisional.
† Numbers.

Resit Examinations

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether resit examinations in O-grade English and mathematics will be available in 1986.

Mr. Younger: I expect to make an announcement shortly.

SOCIAL SERVICES

NHS (Griffiths Report)

13. **Mr. Norris** asked the Secretary of State for Social Services what progress has been made in implementing the Griffiths report's recommendations on the running of the National Health Service.

Mr. Fowler: I am pleased to report that health authorities are making good progress in making the changes envisaged in the Griffiths report.

Within my Department the health services supervisory board has been set up and the chairman of the NHS management board, Mr. Victor Paige, has recently been appointed. I shall be considering with Mr. Paige what further changes are required.

Falklands Veterans (Benefits)

14. **Mr. Dalyell** asked the Secretary of State for Social Services, pursuant to his reply, 27 November, *Official Report*, column 770, what is the precise nature of the action which his Department has taken to ensure that benefits available to service men as a result of the Falklands war are well known.

Mr. Whitney: Standing arrangements with the Ministry of Defence ensure that every service man and woman is informed about war pensions and social security benefits on leaving the forces. Entitlement to war disablement pension is considered automatically when anyone is medically discharged. For those discharged as a result of the Falklands conflict, special arrangements were also made for a war pensioners' welfare officer to visit and advise them.

Southend Health Authority

16. **Mr. Teddy Taylor** asked the Secretary of State for Social Services what estimate he has made of the extent to which the Southend health authority is underfunded compared with other areas in the north-east Thames region; and if he will make a statement.

Mr. John Patten: None. The allocation of resources to Southend district health authority is a matter for North East Thames regional health authority. The Region's Strategic Plan projects that Southend will be brought within one per cent. of its target by 1993-94. I will be pleased to meet, my hon. Friend the Member for Southend East and my right hon. Friend the Member for Castle Point (Sir Bernard Braine) as requested by them in order to discuss the position of the Authority.

General Practitioners (Lists)

17. **Mr. Favell** asked the Secretary of State for Social Services if he is satisfied with the reduction in the average list size of general practitioners.

Mr. Kenneth Clarke: Average list sizes have fallen between 1974 and 1983 from 2,384 to 2,155. We regard the average as of less significance than the extremes of the range. We are encouraged that the number of doctors with lists in excess of 3,000 patients has fallen in each of the past three years.

Cervical Cancer Screening

18. **Mr. Dobson** asked the Secretary of State for Social Services when he expects every health district or family practitioner committee in England and Wales to have an operational computerised system of call and recall for cervical cancer screening.

Mr. Kenneth Clarke: An effective cervical cytology programme is not dependent on a computerised system of call and recall. Health authorities have been asked to ensure that every woman who has a smear test is recalled at five-yearly intervals when she enters the priority group. The method of organising a satisfactory recall system is for each health authority to determine in the light of local circumstances. We have not asked health authorities to implement call systems but we are funding a research project to evaluate the effectiveness of a cervical cytology screening call system. Many health authorities utilise FPCs to operate their recall schemes. A significant number of FPCs either use or are developing computerised systems.

Health Districts (Resources)

19. **Mr. Ashley** asked the Secretary of State for Social Services what plans he has for the distribution of resources to poorer health districts.

Mr. Kenneth Clarke: It is for regional health authorities to allocate funds to health districts. In doing so, we expect them to have regard to the principles set out in the report of the resource allocation working party and also to take account of relevant local circumstances.

Footwear Costs

20. **Sir John Farr** asked the Secretary of State for Social Services what research his Department has done on the effect on the health of chidren's feet of the cost of footwear.

Mr. John Patten: None.

Health Care

21. **Mr. Hickmet** asked the Secretary of State for Social Services if he is satisfied with the extent of co-operation between the private and public sectors in the provision of health care.

Mr. Kenneth Clarke: No. The increasing interest shown by both sectors in a whole range of co-operative ventures is encouraging, and news of successful arrangements is always welcome. But there is scope for greater collaboration. Health authorities should make increased use of private sector facilities for the treatment of NHS patients wherever this is a cost effective way of improving or extending the service they can provide.

Diabetic Patients (Syringes)

22. **Mr. Beith** asked the Secretary of State for Social Services what he estimates to be the difference in cost between supplying a diabetic patient with glass syringes and supplying such a patient with disposable syringes.

Mr. John Patten: The cost to the NHS of the reusable glass insulin syringes, reusable needles and syringe

carrying cases supplied on prescription is approximately £4.45* a year for each insulin-dependent diabetic patient in England.

The cost of supplying single-use (disposable) syringes and needles on prescription would be about £62 a year for a diabetic patient injecting twice a day and using the equipment once only as intended.

* Derived from 1983 prescribing figures at 1985 prices.

Wrightington Hospital, Lancashire

23. **Mr. Robert Atkins** asked the Secretary of State for Social Services when he expects to make a statement about the proposed closure of the children's ward at Wrightington hospital, Lancashire.

Mr. John Patten: The position is as I informed my hon. Friend on 27 November 1984 at columns *773-74*.

Perinatal Mortality

24. **Mrs. Currie** asked the Secretary of State for Social Services what reduction there has been in perinatal mortality over the last five years.

Mr. John Patten: The information is as follows:

Perinatal mortality: number, rates and percentage decrease from 1979 rate, 1979 to 1983 England and Wales

Year	*Number*	*Rate**	*Per cent decrease from 1979 rate*
1979	9,432	14·7	—
1980	8,815	13·3	9·5
1981	7,563	11·8	19·7
1982	7,087	11·3	23·1
1983	6,582	10·4	29·3

* per 1,000 live and still births

Limited List Prescribing

25. **Mr. Robert McCrindle** asked the Secretary of State for Social Services if discussions with the British Medical Association on the list of drugs which it is proposed to remove from National Health Service prescription are continuing; and if he will make a statement.

Mr. Kenneth Clarke: The British Medical Association and its General Medical Services Committee have had meetings with my right hon. Friend and myself to discuss the principle of the limited list proposals and I anticipate at least one further meeting.

However, the Association has so far refused our repeated offers to talk about the content of the limited list of less important drugs to be available under the NHS from 1 April. We very much regret its attitude, which cannot be in the best interests of patients. We also deplore their encouragement of some doctors who are alarming their patients with statements about the consequences of introducing such a list which are, in our opinion, unfounded and misleading. I am glad to say, however, that many individual doctors reject the BMA's claim to speak on their behalf on this issue and are giving us helpful advice and comments on our limited list proposals.

29. **Sir Dudley Smith** asked the Secretary of State for Social Services what advice he took from outside the United Kingdom in formulating his proposals for a limited list of medicines.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply on 30 November 1984, at column *318*, to my hon. Friend the Member for Northampton, South (Mr. Morris).

32. **Mr. Wigley** asked the Secretary of State for Social Services how many representations he has received during the past two months concerning the Government's proposals for generic prescribing of medicines.

35. **Mr. Yeo** asked the Secretary of State for Social Services what representations he has received regarding his proposals to introduce generic prescribing by general practitioners.

Mr. Kenneth Clarke: I refer to the reply given by my right hon. Friend to my hon. Friend the Member for Keighley (Mr. Waller) earlier today.

Retirement Pensioners

26. **Mr. Sackville** asked the Secretary of State for Social Services what was the total number of retirement pensioners in the United Kingdom for 1970 and for the latest year available; and what was the total amount paid in retirement pensions in both years.

Mr. Whitney: In 1970 there were 7,531,000 retirement pensioners resident in the United Kingdom. In 1983, the latest year for which figures are available, there were 9,223,000. The total amount paid in retirement pension in the financial year 1970-71 was £1,824 million and in the financial year 1983-84 £14,976 million. These costs include pensions paid to United Kingdom pensioners resident abroad.

Phenylketonuria

27. **Mr. Tony Lloyd** asked the Secretary of State for Social Services what is the average cost of testing for phenylketonuria for each newborn baby; and what was the total cost for 1983-84 for the National Health Service.

Mr. John Patten: Information on the average and total cost of these tests is not available centrally.

Elderly Persons (Home Visits)

28. **Mr. Rowe** asked the Secretary of State for Social Services what has been the increase in the number of elderly people treated by district nurses or visited by health visitors in their homes.

Mr. John Patten: The total number of persons aged 65 and over in England who were visited at home by district nurses increased by 22 per cent. between 1978 and 1983. If visits to residential homes are included the corresponding increase is 24 per cent. Over the same period visits by health visitors to persons aged 65 and over decreased by 10 per cent. This decline has been largely arrested since 1981 and this reflects the growing recognition by health authorities of the needs of elderly people living in the community.

Wandsworth Health Authority

30. **Mr. Tom Cox** asked the Secretary of State for Social Services when he last met the Chairman of the Wandsworth health authority; and what subjects were discussed.

Mr. Kenneth Clarke: I met the chairman of the Wandsworth health authority on 21 July 1983. The main

subjects discussed at that meeting were resource allocations and planned changes in services. My noble Friend also attended a meeting of district chairmen in South-West Thames on 7 October 1983 at which the chairman of Wandsworth health authority was present. Apart from these formal meetings, I have also met Mr. Dougherty on other occasions when he and I were both present but we have not discussed health authority matters on those occasions.

Benefits (Take-up)

31. **Mr. Freud** asked the Secretary of State for Social Services what is the current level of take-up of means-tested social security benefits.

Mr. Whitney: The latest estimates in Great Britain indicate that the level of take-up of supplementary benefit was 71 per cent. in 1981, and that for family income supplement it was about 50 per cent. in 1981-82. Among eligible supplementary benefit and family income supplement recipients take-up of free welfare foods in 1981 was estimated to be nearly 100 per cent. and among other eligible families about 7 per cent.

No information is available yet on take-up of housing benefits. The latest estimates of take-up of rent and rate rebates and rent allowances relate to England and Wales in 1982 when an estimated 72 per cent. of households took up entitlement to rent rebates, 65 per cent. took up rate rebates and 62 per cent. rent allowances.

No other estimates of take-up of means-tested social security benefits are available.

Addenbrookes Hospital

33. **Mr. Fatchett** asked the Secretary of State for Social Services whether he has had communications with the Cambridge health authority about the award of the domestic services contract at Addenbrookes hospital.

Mr. Kenneth Clarke: Our officials made inquiries, on my behalf, of the district health authority to seek its reasons for not accepting the lowest tender it had received. We were satisfied that the district considered it had good grounds for its choice and made no further intervention.

Since then, our officials have been in regular communication with officers of the Cambridge health authority. Our main concern has been to ensure that the industrial action taken by trade union members has not adversely affected patient care. I am pleased to report that patient services have continued uninterrupted during the period of industrial action and that the savings resulting from the letting of this contract have been directly channelled into patient care on the Addenbrooke's site.

My hon. Friend the Parliamentary Under-Secretary of State has also been in touch with the district health authority chairman to see how the contract has been progressing and how services have been affected by the industrial action.

Nurses and Midwives

34. **Mr. Knox** asked the Secretary of State for Social Services how many nurses and midwives were employed in the National Health Service at the most recent count; and what was the comparable figure in 1978.

Mr. Kenneth Clarke: The provisional total number of nursing and midwifery staff — including learners and unqualified staff but excluding agency staff — in the NHS in England at 30 September 1984 was 393,800 in whole-time equivalent terms compared with 347,500 at 30 September 1978.

The figures are not strictly comparable due to the change in the working week during the period from 40 hours in 1978 to 37½ hours by 1981.

Mentally Handicapped Children

36. **Mr. Galley** asked the Secretary of State for Social Services if he is able to report on the progress being made to move mentally handicapped children out of long-stay hospitals.

Mr. John Patten: Projects so far approved and financed through the £1 million allocated to the pound for pound scheme and the £9 million schemes—described in my answer to the hon. Member for Eccles (Mr. Carter-Jones) on 25 October, at column *721*—will bring over 300 children out of mental handicap hospitals. Mental handicap hospitals and units are not classified by the length of time patients stay. The number of children under 16 resident in all mental handicap hospitals and units in England has fallen from 7,100 in 1969 to about 1,270 at the end of 1983. These figures include children who are not normally resident but are receiving short periods of assessment or care, and also children in NHS community-based units. We would expect the numbers to continue to fall.

Death Certificates (Smoking)

37. **Sir John Wells** asked the Secretary of State for Social Services why smoking is not listed as one of the recognised underlying causes of death for purposes of completing death certificates when ailments caused by smoking are among the recognised immediate causes of death.

Mr. John Patten: There is no official list of recognised underlying causes of death, and a certifying doctor may enter smoking as an underlying cause if he wishes. It must, of course, be borne in mind that although studies on groups of subjects indicate a causal relationship between smoking and certain diseases, this does not mean that when an individual smoker dies from one of these diseases, the smoking was necessarily the underlying cause of the disease.

Sick Pay

38. **Mr. John Morris** asked the Secretary of State for Social Services how many appeals against refusal to pay statutory sick pay have been received by his Department; and how many have not yet been dealt with.

Mr. Whitney: I regret that because of the dispute at Newcastle central office information about appeals to social security tribunals connected with statutory sick pay is not yet available. The information should be available by the middle of this year.

Day Nurseries

Mr. Boyes asked the Secretary of State for Social Services how many day nurseries there are in England and Wales; and how many were built in the period 1983 to the latest date available.

Mr. John Patten: There were 1,514 day nurseries in England at 31 March 1984. This includes 72 nurseries opened since March 1983. These figures are provisional.

Stillbirths and Perinatal Infant Deaths

Mrs. Renée Short asked the Secretary of State for Social Services if he will list the rates for stillbirths and perinatal and infant deaths amongst ethnic minority communities in the United Kingdom in each single year since 1979.

Mr. John Patten: Figures for the United Kingdom are not collected. The available figures for England and Wales are shown in the table; they relate to the country of birth of the mother, and therefore not necessarily to her ethnic group.

Rates for stillbirths, perinatal and infant mortality by country of birth of mother 1979 to 1983*

England and Wales

Country of birth	*1979*			*1980*			*1981*			*1982*			*1983*		
	Stillbirths	*Perinatal*	*Infant*	*Stillbirths*	*Perinatal*	*Infant*	*Stillbirths*	*Perinatal*	*Infant*	*Stillbirths*	*Perinatal*	*Infant*	*Stillbirths*	*Perinatal*	*Infant*
All places of birth	8·0	14·6	12·6	7·2	13·3	11·9	6·6	11·8	10·9	6·3	11·2	10·6	5·7	10·4	10·0
United Kingdom	7·7	14·3	12·5	7·0	12·9	11·6	6·4	11·5	10·7	6·0	10·9	10·6	5·6	10·2	9·9
New commonwealth and Pakistan	10·6	18·5	15·1	10·1	18·2	15·6	8·6	14·8	12·9	8·9	15·0	11·8	7·9	13·8	12·1
Bangladesh and India	12·0	20·2	15·0	9·8	15·7	12·8	9·2	15·3	11·9	9·0	13·7	9·4	8·1	13·3	11·2
Pakistan	11·8	21·4	19·7	13·9	26·3	22·0	10·3	18·5	18·0	11·2	20·1	17·2	10·8	20·2	18·8
Caribbean commonwealth	11·1	17·7	13·5	9·8	17·9	15·4	6·0	11·9	13·0	8·3	14·3	13·1	5·8	11·2	11·7
African commonwealth	10·3	18·5	13·6	9·3	15·9	14·3	8·6	13·9	10·4	8·3	14·2	10·8	7·0	11·2	8·6
Remainder of New commonwealth	5·6	10·6	11·2	5·2	11·9	12·1	6·1	10·6	9·5	6·1	10·0	7·7	4·8	8·3	7·1
Remainder of World and not stated	8·1	14·2	11·3	6·5	12·2	10·9	6·9	12·2	10·8	6·6	10·8	9·3	4·4	8·2	8·7

* Stillbirth and perinatal mortality rates per 1,000 live and stillbirths, infant mortality rates per 1,000 live births.

Visual Display Units

Dr. Roger Thomas asked the Secretary of State for Social Services if he will set up and finance an independent inquiry into the possible ill effects of working visual display units on all stages of pregnancy.

Mr. John Patten: No. An international conference held in London on 29-30 November 1984 on allegations of reproductive hazards from visual display units concluded that there was no evidence to suggest that any hazards existed. Research, however, continues and is reviewed regularly by both the Health and Safety Executive and this Department.

Dental Estimates Board (Appeals)

Mr. Penhaligon asked the Secretary of State for Social Services if he will initiate an investigation into the causes of the sudden increase in Dental Estimates Board appeals; and if he will make a statement.

Mr. Kenneth Clarke: No. Seventy per cent. of the appeals received since January 1984 were against decisions of the Dental Estimates Board that complex and expensive bridge treatment proposed by the dentist was not clinically necessary to secure the dental fitness required by regulations. Because of our concern about the extent of unnecessary treatment, I announced in my reply to my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox), at column *217*, a committee of inquiry with wide terms of reference to look into this matter.

NHS (Expenditure)

Mr. Deakins asked the Secretary of State for Social Services what has been the increase in National Health Service expenditure in Great Britain between 1978-79 and 1984-85 on drugs, family practitioner services, and labour costs, respectively; and how this increase compares with inflation over the same period.

Mr. Kenneth Clarke: Over the period between 1978-79 and 1984-85 it is expected that cash expenditure in Great Britain on drugs and family practitioner services (excluding drugs) will have increased by 13 and 16 per cent. per year respectively. Over the same period it is estimated that expenditure in Great Britain on hospital and community health services staff (and agency staff) will have grown by about 12·5 per cent. per year. It is expected that the inflation rate, as measured by the GDP deflator, will have averaged 10 per cent. per year over the same period.

Mr. Deakins asked the Secretary of State for Social Services what main components of the National Health Service expenditure in Great Britain have increased by more than the rate of inflation between 1978-79 and 1984-85.

Mr. Kenneth Clarke: All the main components of expenditure on the National Health Service in Great Britain have increased by more than the general rate of inflation between 1978-79 and 1984-85. Over the period, cash spending on hospital and community health services has increased by nearly 13 per cent. per year; cash spending on family practitioner services and centrally financed services has increased by 14·5 and 15·5 per cent. per year respectively. Capital spending has increased by 13 per cent. per year. Inflation, as measured by the growth of the GDP deflator, has averaged 10 per cent. per year over the same period.

Intravenous Fluids

Mr. Beggs asked the Secretary of State for Social Services (1) how many manufacturers supplied one litre bottles of sterile water for irrigation to the National Health Service during each of the years 1975 to 1984 inclusive;

(2) what has been the average price paid by the National Health Service for a one litre bottle of sterile water for irrigation for each of the years 1975 to 1984 inclusive;

(3) what has been the average price paid by the National Health Service for a 500ml bag of dextrose injection 5 per cent. for each of the years from 1975 to 1984 inclusive.

Mr. Kenneth Clarke: Arrangements for the supply of intravenous fluids are made on a regional basis by health authorities and we do not collect detailed local information centrally. The Health Service Supply Council issued guidance to authorities on these supply arrangements in

1983 and the council will be revising this guidance in the light of inquiries it is carrying out into current market conditions.

National Insurance Contributions

Dr. Glyn asked the Secretary of State for Social Services what proportion of the national insurance contribution goes towards pensions and national health insurance; and what is the balance in each case which has to be made from general taxation.

Mr. Whitney: The national insurance scheme is financed on a pay-as-you-go basis with the aim of achieving a broad balance between income and expenditure. Contributions are not allocated to specific benefits, but an approximate notional apportionment can be made. The proportion would be the same for all benefits paid from the NI fund.

For 1984-85 the figures are expected to be:

	NI fund (per cent.)	*General taxation (per cent.)*
Retirement Pension	90	10
National Health Service	11	*86

* The remaining 3 per cent. is met by charges.

Mr. Gregory asked the Secretary of State for Social Services what would be the total cost of eliminating class 4 national insurance contributions.

Mr. Whitney: The estimated income to the national insurance fund from class 4 contributions in respect of 1984-85 is £280 million. Contributions are set so as to keep income in line with expenditure from the fund, so that if class 4 contributions were eliminated it might be necessary to make up the loss of increases elsewhere.

Family Income Supplement

Mr. Gareth Wardell asked the Secretary of State for Social Services if he will publish in the *Official Report* *(a)* the most recent figures for the number of families claiming family income supplement and *(b)* the latest estimate of the proportion of families eligible who claim family income supplement.

Mr. Whitney: At the end of September 1984, the latest date for which figures are available, 207,000 families were receiving family income supplement. The latest estimate of the proportion of eligible families who take up FIS is derived from the 1981 and 1982 family expenditure surveys data and there is nothing I can add to the reply by my right hon. Friend to my hon. Friend the Member for Cardiff, Central (Mr. Grist) on 12 June 1984, at column *460*.

Undergraduates (Dependants Additions)

Mr. Radice asked the Secretary of State for Social Services how many undergraduates are in receipt of dependants additions from his Department's hardship scheme in Blackpool to supplement their mandatory awards from their local education authorities.

Mr. Whitney: The hardship scheme of the Department of Education and Science, which is administered by this Department, is currently awarding dependants' allowances to 950 undergraduates in England and Wales and to 119 in Scotland.

Veterinary Waste Disposal

Mrs. Renée Short asked the Secretary of State for Social Services what steps he intends to take to ensure that all general veterinary practices are equipped with incinerators for the purpose of clinical waste disposal.

Mr. Waldegrave: I have been asked to reply.

My right hon. Friend has no power to make any such prescription. Control over clinical and other waste disposal in England is primarily the function of county councils as waste disposal authorities. It is a matter for individual veterinary surgeons to make satisfactory arrangements for disposal of their waste, subject to this control.

Dentists (Fraudulent Claims)

Mr. Willie W. Hamilton asked the Secretary of State for Social Services whether, in the light of the recent report from the National Audit Office on the weakness of the special investigation unit of the Dental Estimates Board, he will reconsider the request from the British Dental Association for extra staff to investigate fraudulent National Health Service claims by dentists.

Mr. Kenneth Clarke: No. Changes in the procedures of the special investigation unit of the Dental Estimates Board were introduced following a report by the statutory auditors.

The British Dental Association has recently asked for an increase in the number of dental officers employed by our Department who are primarily concerned about the quality of treatment provided by dentists. We are satisfied, however, that the present number is sufficient to provide reasonable checks and we do not believe that increasing the numbers would make any significant contribution to reducing the level of undiscovered fraud.

Striking Miners (Benefits)

Mr. Allen McKay asked the Secretary of State for Social Services whether, pursuant to his answer of 20 December 1984, *Official Report*, column *314*, unmarried miners on strike and living with their parents will be entitled to claim retrospectively under the housing benefits regulations for payment in respect of board and lodging for the period from the beginning of the strike up to 19 December 1984.

Mr. Newton: No. There is no provision in the Housing Benefits Regulations for claims to be backdated.

Cervical Cancer Screening

Ms. Clare Short asked the Secretary of State for Social Services whether he is satisfied with the provision for cervical cancer screening in Birmingham.

Mr. Kenneth Clarke: Health authorities are responsible for operating the cervical screening programme within their own districts. If the hon. Member is concerned about the local service in Birmingham she should first of all take it up with the district or districts concerned.

Family Practitioners (Computers)

Mr. Sims asked the Secretary of State for Social Services whether resources will be made available for the implementation of the Arthur Anderson strategy for using computers in family practitioners services' administration.

Mr. Kenneth Clarke: Yes. £2·2 million has been allocated for 1985-86, and we hope to make a good start on strategy implementation in order to improve administrative efficiency in the family practitioner services and give a better base for improvements in patient care.

Early priorities will include work on a new integrated computer system for patient registration; and on systems to enable the Dental Estimates Board to deal more quickly and economically with claims for payment.

We also hope to develop experimental links between pharmacy computers and the Prescription Pricing Authority.

NATIONAL FINANCE

Tax Allowances and Child Benefit

Mr. Best asked the Chancellor of the Exchequer by how much personal tax allowances and child benefit could be increased with a fiscal adjustment of *(a)* £1·5 billion and *(b)* £2 billion, if the same percentage increase were applied to personal tax allowances and child benefit; and if he will compare the consequent increase in net income for a two-child family on (i) half average earnings, (ii) three-quarters average earnings, (iii) average earnings, (iv) one and half average earnings and (v) twice average earnings with the increase in net income for these groups if the whole of the two sums were used to increase personal allowances.

Mr. Moore: Information based on full year direct revenue or expenditure costs at forecast 1985-86 levels is in the table. The income tax calculations assume that all the main personal allowances would be increased by the same percentage.

Full year cost £ billion		*Increase in*		*Increase in net income married man with two children multiple of average earnings*	
		Married allowance £	*Child Benefit pence per week*	*½-1½ £ per week*	*2 £ per week*
1½	Same percentage increase (6½ per cent.)	200	45	2·05	2·44
	Allowances only increased (8 per cent.)	250	—	1·44	1·92
2	Same percentage increase (8¾ per cent.)	270	60	2·76	3·28
	Allowances only increased (10½ per cent.)	330	—	1·90	2·54

Workplace Nurseries

Mrs. Clwyd asked the Chancellor of the Exchequer (1) if there has been any change in the practice of the Inland Revenue with regard to the treatment as a taxable benefit of the provision of a workplace nursery; and if he will make a statement;

(2) if the decision to charge tax on employees' workplace nursery benefits resulted from a direction mentioning nurseries from the Board of the Inland Revenue;

(3) how much tax, including backdated payments, he expects to be collected by the taxation of employees on the benefits of a workplace nursery in the current financial year.

Mr. Moore: There has been no change in the practice of the Inland Revenue in relation to the tax treatment of the benefit of employer subsidised nurseries. Such benefits have been taxable in the hands of directors and certain employees (currently those earning at a rate of £8,500 a year or more) since legislation was first introduced by the Labour Government in 1948. I regret that a firm estimate of the tax yield from this particular benefit cannot be made.

Mrs. Clwyd asked the Chancellor of the Exchequer (1) if it is the intention of the Inland Revenue to claim arrears of tax from users of its own former staff nursery;

(2) how many staff of the Inland Revenue who used the Inland Revenue staff nursery during its existence are now liable to pay backdated tax on that benefit.

Mr. Moore: The relevant tax rules apply to directors and "higher paid" employees: they apply to civil servants as to other employees and were applied throughout the period that the Inland Revenue staff nursery was in existence.

Economic Competitiveness

Mr. Deakins asked the Chancellor of the Exchequer what criteria he uses to assess the international competitiveness of the United Kingdom economy.

Mr. Peter Rees: Broadly interpreted, "international competitiveness" refers to the ability of a country's producers to compete successfully both in world markets and in its own domestic market. As such it goes beyond the narrower concept of price or cost competitiveness, to encompass such "non-price" factors as quality and design, delivery, and after-sales service. A range of criteria has to be used. The problems which arise in measuring and assessing competitiveness were discussed in the July 1983 issue of the economic progress report.

Gross National Product

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what is his objective for the proportions of the gross national product which should be *(a)* saved and *(b)* devoted to capital expenditure; and what are the current proportions.

Mr. Peter Rees: During the 12 months ending in June 1984, gross saving amounted to 20·2 per cent. and gross domestic fixed capital formation to 16·9 per cent. of the gross national product. The Government do not have explicit objectives for these proportions, but their policies are designed to secure sustained economic growth and thus higher rates of saving and investment.

Customs and Excise (Imported Books)

Mr. Chris Smith asked the Chancellor of the Exchequer how many person hours have been spent to date by Customs and Excise officials in investigating the importation of books by Lavender Menace, Balham Book and Food Co-operative, and Gay's the Word Bookshop, respectively.

Mr. Hayhoe: Records of staff time are not kept in sufficient detail to provide this information.

Gay's the Word Bookshop

Mr. Chris Smith asked the Chancellor of the Exchequer how many staff are currently engaged in work relating to the prosecution of Gay's the Word bookshop and its directors; and what has been the cost to the taxpayer to date of all work connected with the prosecution.

Mr. Hayhoe: A small proportion of the time of four Customs and Excise officials is currently devoted to work relating to the prosecution of Gay's the Word bookshop and its directors. Records of staff time are not maintained in the degree of detail necessary to answer the second part of this question.

Value Added Tax

Mr. Heddle asked the Chancellor of the Exchequer, pursuant to his answer to the hon. Member for Mid-Staffordshire on 11 December, *Official Report*, column *455*, if he will outline his plans for contesting the reasoned opinion under article 169 of the treaty of Rome alleging that certain aspects of the value added tax zero rates enforced in the United Kingdom including those applicable to non-domestic construction work are contrary to the provisions of the sixth value added tax directive.

Mr. Hayhoe: The Government have applied to the reasoned opinion and, as I said in my answer to my hon. Friend on 11 December, at column *455*, have made it clear that they do not accept the Commission's views. It is now for the Commission to decide in the light of the United Kingdom reply whether to make an application for a case to be heard before the European Court.

Wages

Mr. Deakins asked the Chancellor of the Exchequer if he will estimate the effect of a fall in the real level of United Kingdom wages on domestic demand.

Mr. Peter Rees: The size of the effect of a fall in real wages on domestic demand will depend on a number of factors, including the macroeconomic policy stance. The evidence suggests that domestic demand will increase, after the first year, in percentage terms by between 0·1 per cent. and 0·5 per cent. for every 1 per cent. sustained fall in the average level of real wages brought about by a fall in nominal wages.

Prohibited Drugs

Mr. Alex Carlile asked the Chancellor of the Exchequer what was the quantity of illegally imported class A prohibited drugs seized by Her Majesty's Customs and Excise in each of the years 1981 to 1984.

Mr. Hayhoe: The quantities of illegally imported class A prohibited drugs seized by Her Majesty's Customs and Excise in each of the years 1981 to 1983 are set out in the following table. The figures for 1984 are not yet available; I shall write to the hon. and learned Member when they are.

	1981	*1982*	*1983*
Heroin	87·160 kgs	183·244 kgs	212·463 kgs
Cocaine	13·597 kgs	12·117 kgs	73·326 kgs
Morphine	5·903kgs	2·199 kgs	0·525 kgs
	+ 10,000 tablets	+ 76 tablets	+ 12 doses
LSD	0·001 kgs	0·001 kgs	0·009 kgs
	+ 1,013 doses	+ 17,540 doses	+ 7,305 doses
Opium	9·920 kgs	18·562 kgs	2·887 kgs
	+ 72 tablets		+ 23 doses
Liquid cannabis	73·468 kgs	28·492 kgs	20·181 kgs

International Monetary Fund

Dame Judith Hart asked the Chancellor of the Exchequer what are the criteria of the board of the International Monetary Fund for admission to membership, or continued membership, of the fund.

Mr. Lawson: I refer the right hon. Member to the International Monetary Fund's articles of agreement, a copy of which is available in the House of Commons Library.

Adult Education (VAT)

Mr. Freud asked the Chancellor of the Exchequer (1) what sources of advice from his Department are available to local education authorities concerning the question of liability of adult education classes to value added tax;

(2) whether he is satisfied that the liability of adult education classes for value added tax is being applied evenly among local education authorities; and what evidence he has of any anomalies in the application of the liability;

(3) what representations he has received concerning the liability to value added tax of adult education courses;

(4) whether he will list the adult education courses on which value added tax has been charged for the first time since 1984;

(5) what discussions have been held between officials of his Department and the local education authorities regarding the liability to value added tax of adult education courses;

(6) whether he will make a statement on the current situation regarding the liability to value added tax of adult education courses.

Mr. Hayhoe: The liability to tax of adult education classes provided by local authorities depends on the content of individual courses and the level at which fees

are charged. No information is held centrally giving details of adult education courses which have recently been charged to tax for the first time.

There has been no recent change in the law concerning VAT and adult education or in its interpretation by Customs and Excise. But changing financial arrangements by local authorities were recognised to have affected the VAT treatment of some adult education courses and to clarify the position Customs and Excise held detailed discussions with the local authority associations last year. As a result a jointly agreed document was produced giving guidance on how courses were to be treated for VAT from 1 September 1984 and this advice was issued to all local authorities. In addition, Customs and Excise officers visited all local authorities providing adult education to ensure that they fully understand the guidelines and are therefore able to arrange their courses so as to gain the maximum possible benefit from the existing provisions for relief from the tax.

Since the implementation of the guidelines Treasury Ministers have received 25 representations concerning the tax treatment of adult education courses. Customs and Excise has had few anomalies brought to its attention by local authorities or the local authority associations which are keeping a watching brief on the operation of the guidelines in practice. It is open to any local authority to seek further advice on liability from its local VAT office.

£1 Coin

Mr. Nicholas Winterton asked the Chancellor of the Exchequer how many £1 coins are now in circulation.

Mr. Ian Stewart: I refer my hon. Friend to my reply on 14 January, at column *43*, to my hon. Friend the Member for Leicester, East (Mr. Bruinvels).

Married Man's Allowance

Mr. Blair asked the Chancellor of the Exchequer how many couples claimed the married man's allowance in each of the last five fiscal years for which figures are available.

Mr. Moore: I shall let the hon. Member have a reply as soon as possible.

Budget Consultations

Sir Geoffrey Finsberg asked the Chancellor of the Exchequer which organisations or associations are customarily received by Treasury Ministers before the annual Budget is put to Parliament; and what criteria he uses in deciding whether such groups should be received by him personally or by other Ministers in his Department.

Mr. Moore: Treasury Ministers receive a great many requests from representative bodies for meetings prior to each year's Budget. It is not possible to see them all. The general practice is to meet a small number of organisations representing a large number of people every year and to see other organisations less frequently. However, every Budget representation received by Treasury Ministers is carefully considered. The choice of Treasury Minister or Ministers for receiving delegations depends upon a number of factors, including the availability of Ministers and the nature of the representations.

EC (Contributions)

Mr. Teddy Taylor asked the Chancellor of the Exchequer how the net amount to be contributed by the United Kingdom to the Common Market in 1985 and 1986 will compare with the net amount contributed in 1984 on the assumption that the resources of the EEC are increased in accordance with the Council of Ministers recommendation.

Mr. Ian Stewart [*pursuant to his reply*, 11 January 1985, c. *563*]: Estimates of our net payments to European Community institutions in 1984-85 and later years will be published in the next public expenditure White Paper.

Heroin

Mrs. Renée Short asked the Chancellor of the Exchequer if he will list the kilogram quantities of heroin which have been seized by Customs and Excise officers in each year since 1979.

Mr. Hayhoe [*pursuant to his reply*, 14 January 1985, c. *43*]: The kilogram quantities of heroin which have been seized by Customs and Excise officers in each of the years 1979 to 1983 are set out in the following table. The figures for 1984 are not yet available; I shall write to the hon. Member when they are.

Year	*Kilograms*
1979	40
1980	38
1981	87
1982	183
1983	212

European Community (Budget)

Mr. Teddy Taylor asked the Chancellor of the Exchequer what will be the increase in the gross contributions to the Common Market which the United Kingdom will be required to make in the event of the resources of that body being increased along the lines proposed by the Council of Ministers.

Mr. Ian Stewart [*pursuant to his reply*, 14 January 1985, c. *43*]: I refer my hon. Friend to the reply I gave to the hon. Member for Walthamstow (Mr. Deakins) on 11 July 1984 at column *444*.

Written Answers to Questions

Wednesday 16 January 1985

PRIME MINISTER

Naval Signals (Retention)

Mr. Dalyell asked the Prime Minister what is the policy of Her Majesty's Government regarding the periods of time for which different categories of naval signals are retained, set out by security classification and by source.

The Prime Minister: I refer the hon. Member to the reply given by my right hon. Friend the Minister of State for the Armed Forces to the hon. Member for Leeds, West (Mr. Meadowcroft) on 27 November 1984, at columns 412-13.

Petitions

Mr. Peter Bruinvels asked the Prime Minister what is the Government's policy as to the making under Standing Order No. 122 of observations by Ministers on public petitions.

The Prime Minister: There is no procedural obligation on Ministers to make observations on public petitions. But they may do so if they consider that such action is appropriate taking account, for example, of the degree of public support and the previous consideration of the issue concerned.

Argentina (Rearmament)

Mr. Foulkes asked the Prime Minister what assessment she has made of Argentine rearmament following the Falklands war; and what are the implications of such a rearmament on *(a)* the cost of maintaining a British garrison on the Falkland Islands and *(b)* the feasibility of defending the islands against attack.

The Prime Minister: We are aware that Argentina is modernising her forces mainly under contracts negotiated before the Falklands conflict. It would not be in the public interest to comment on our assessment of Argentine arms purchases and capabilities. We stand by our commitment to the Falkland Islands, and we will maintain a garrison there at the minimum size necessary to defend them. Our existing estimates of Falkland garrison costs take account of our assessment of Argentine capabilities and the forces necessary to defend the islands; our ability to reinforce the islands will be very greatly enhanced by the Mount Pleasant airfield.

Mr. Foulkes asked the Prime Minister what information she has on *(a)* the supply of weapons manufactured in the United Kingdom and *(b)* the use of subcontractors in the United Kingdom to supply weapons manufactured outside the United Kingdom to Argentina.

The Prime Minister: There has been an embargo on the sale of arms to Argentina since the beginning of 1982.

Under the terms of contracts signed well before the Falklands conflict, a number of British companies have supplied equipment to West Germany over the past two years for incorporation in warships being built for Argentina.

The Government require end user certificates only for complete equipments. It is not practical to insist on these for minor components supplied to overseas prime contractors under collaborative agreements.

Mr. Foulkes asked the Prime Minister what steps she has taken to ensure that no British weapons or parts are supplied to the Argentine Government.

The Prime Minister: The export of defence and defence related equipment is controlled by the Export of Goods (Control) Order 1981 and export licences are required.

Since the beginning of April 1982 there has been an embargo on the export of such equipment to Argentina. This embargo remains in force.

Council of Europe

Mr. Leigh asked the Prime Minister what changes have been made in the composition of the United Kingdom delegation to the Parliamentary Assembly of the Council of Europe.

The Prime Minister: I have appointed the hon. Member for Liverpool, Riverside (Mr. Parry) a Substitute Member in place of the hon. Member for Preston (Mr. Thorne).

Tax Evasion

Mr. Foulkes asked the Prime Minister if she will take steps to ensure that no company with a Government majority shareholding establishes or uses any facilities in the Channel Islands or the Isle of Man for the purposes of avoiding United Kingdom tax.

The Prime Minister: I shall reply to the hon. Gentleman shortly.

TRADE AND INDUSTRY

Sonic Sounds Audio Holdings plc

Mr. Hugh Dykes asked the Secretary of State for Trade and Industry what conclusions he has reached on the need for an official investigation into the collapse of Sonic Sounds Audio Holdings plc following the representations of the hon. Member for Harrow, East.

Mr. Fletcher: Sonic Sounds Audio Holdings plc was wound up compulsorily by the High Court on 13 December 1982. Its affairs are subject to investigation by the Official Receiver, who is working closely with the receiver appointed by the debenture holder bank and the liquidator appointed by the court. It will be for them to consider whether there is any sufficient evidence to warrant further proceedings.

Clothing, Footwear and Textile Industries

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what plans he has to increase Government investment in the British clothing, footwear and textile industries.

Mr. Trippier: I shall reply to my hon. Friend as soon as possible.

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what has been the total value of imports of textiles, clothing and footwear into the United Kingdom from China in each of the last 10 years for which figures are available.

Mr. Channon: The information is as follows:

	Value £ million (cif)
1975	10·5
1976	14·2
1977	19·1
1978	25·8
1979	28·3
1980	31·2
1981	42·9
1982	49·0
1983	56·7
January-October 1984	64·2

Source: data corresponding to: SITC/R2 Divisions 65, 84 (less Group 848) and 85 (less Item 851.05), Groups 266 and 267 and Sub-group 268.7 (part): and SITC/R1 Divisions 65 and 85 (less Item 851.05), Group 266, and Sub-groups 262.8, 841.1, 841.2 and 841.4.

Multi-fibre Arrangement

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what consideration he has given to the effect that abandoning the multi-fibre arrangement would have on developing countries.

Mr. Channon: Any renewal of the multi-fibre arrangement would need to be negotiated with the developing countries concerned. The group of developing countries co-operating over these matters have published views in a document "The MFA in Theory and Practice". I am arranging for a copy of this document to be placed in the Library. The effect of the MFA on developing countries is also included in the report of the GATT secretariat "Textiles and Clothing in the World Economy", a copy of which is already in the Library.

Textile Industry

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry (1) if he will list in the *Official Report* all those organisations or individuals who have expressed to him opposition to the possible implementation of the proposals of the Silberston report on competition in the United Kingdom textile industry;

(2) what representations he has received concerning the Silberston report on competition in the United Kingdom textile industry;

(3) whether he has any intention of implementing the proposals of the Silberston report on competition in the United Kingdom textile industry.

Mr. Channon: Professor Silberston was asked to make an independent study of the implications for the United Kingdom economy at large, and for the industries concerned in particular, of international trading policies affecting textiles and clothing. The Government will develop their own proposals, but before that will consult all the main interested parties concerned. Representations on the Silberston report have been received from various parties, including the British Clothing Industries Association, the British Textile Confederation, the Knitting Industries Federation and the Consumers' Association.

Small Business Policy

Mr. Soames asked the Secretary of State for Trade and Industry what are his principal objectives in small business policy for 1985.

Mr. Trippier: The Government's overall objectives in small firms policy in 1985 continue to be the stimulation of the growth of small businesses and self-employment and as a better understanding of their role in the community. Within these overall objectives we intend to:

—review the impact and effectiveness of the new loan guarantee scheme and encourage use of the business expansion scheme, so that the flow of finance to small firms is improved,

— sponsor seminars for professional advisers on business planning for small firms,

— encourage co-operation between the various small firms advisory agencies, stimulate the growth of local enterprise agencies and the contribution of the private sector, promote the facilities that the small firms service can offer to small businesses and complete computerisation of its inquiry service,

—hold a further local enterprise week in May to publicise the wide range of locally based assistance which is available to small firms,

—continue to remedy disadvantages suffered by small firms arising directly from their size,

— work with MSC in developing appropriate and accessible training facilities for those starting and running small firms, and in May to launch a video encouraging owner-managers of small firms to undertake relevant management training.

In addition, the work of Lord Young's enterprise unit, which has a bearing on small firms policy and the scrutiny report on administrative and legislative burdens, will be considered during 1985.

Mr. Soames asked the Secretary of State for Trade and Industry what were the main achievements of small business policy in 1984.

Mr. Trippier: During 1984 the Government continued to foster conditions favouring the setting up and growth of small businesses, the total number of which had in 1980 to 1983 increased by more than 110,000. The more important achievements included:

— continuing development of the small firms service which handled 279,000 inquiries and new 23,000 counselling cases,

— encouragement of the growth of local enterprise agencies, which now number 233 with 35 being formed,

—the first local enterprise week was held on 17 to 22 June to encourage those offering help to small businesses to promote their work at local level,

— the enterprise allowance scheme operated by the Manpower Services Commission was extended and helped 42,000 unemployed people to start new businesses,

—the loan guarantee scheme was extended following the pilot phase until the end of 1985,

—equity investment in small companies was encouraged through the business expansion scheme, under which more than 10,000 investors put at least £75 million into 400 small companies in 1983-84,

— a nationwide series of seminars for professional advisers to increase their awareness of the problems of small firms finance, and Government schemes of assistance.

Trade Statistics

Mr. Stuart Holland asked the Secretary of State for Trade and Industry (1) what share of British visible export

trade, excluding diamonds, was accounted for by the top 30, 75 and 220 companies in 1982, 1983 and 1984, respectively;

(2) how many companies represented the top 40 per cent., 50 per cent. and 66 per cent. of United Kingdom visible export trade in 1981, 1982 and 1983, respectively.

Mr. Channon: Such information as is available is published in *British Business*, 27 May 1983, p. 366, a copy of which is in the Library. For the reasons given in the article, the analysis of this data has been discontinued.

EMPLOYMENT

Youth Training Scheme

Mr. Deakins asked the Secretary of State for Employment how many youth training scheme places were unfilled in Waltham Forest at the latest date for which figures are available; and what proportion of total places this figure represents.

Mr. Peter Morrison: On 8 January there were 781 approved places on the youth training scheme in the London borough of Waltham Forest, 365 of which were unfilled. However, a number of places have only recently been approved and recruitment to these has either not begun or has started only recently.

Mr. Leighton asked the Secretary of State for Employment what percentage of youth training scheme sponsors' staff and managing agents' staff had training at accredited training centres.

Mr. Peter Morrison: The information is not available in the precise form requested. From 1 April 1984 to 30 September 1984, a total of 51,463 people received training through accredited centres. The numbers are made up as follows.

		Per cent.
Youth Training Scheme Mode A staff	20,262	39·4
Youth Training Scheme Mode B staff	20,130	39·1
Non-Youth Training Scheme staff	11,661	21·5

In addition, managing agents and sponsors can and do make separate arrangements for staff training either through their own training facilities or by using external training agencies.

Mr. Sheerman asked the Secretary of State for Employment how many young people in training on the youth training scheme are estimated to be employees *(a)* on current year schemes and *(b)* on previous year schemes; how these figures compare with the previous year; what growth in the number of employees was expected when planning 1984-85 places; and if he will make a statement.

Mr. Peter Morrison [*pursuant to his reply*, 10 January 1985, c. *535*]: It is necessary to distinguish between the number of jobs for 16-year-olds which are covered by the youth training scheme (but which may be filled by youngsters with either employee or trainee status) and the number of young people on the scheme who are actually given employee status.

In 1983-84 it is estimated that about 14,000 young people entered the youth training scheme as employees; more became employees during the course of the year, but the precise number is not known. Up to the end of November 1984, it is estimated that around 14,400 young people on 1984-85 schemes had joined as employees.

In planning for 1984-85, no estimate was made of the number of youngsters likely to join the youth training scheme with employee status. For planning purposes, it was estimated that the number of jobs for 16-year-olds which would be covered by the scheme (and which may be filled by either employees or trainees) would increase from the estimated 50,000 achieved in 1983-84 to about 115,000 in 1984-85. However, latest estimates suggest that in the event about 80,000 such jobs will be covered by the scheme in 1984-85.

Wage Movements

Mr. Leighton asked the Secretary of State for Employment how wages of males under 21 years of age have moved since 1979 in comparison to those of adult males; and what are the equivalent figures for females.

Mr. Peter Bottomley: According to the "New Earnings Survey", the percentage changes in average gross weekly earnings of full-time employees working a full week between April 1979 and April 1984 were as follows:

Age	*Males*	*Females*
Under 18	+57	+60
18 to 20 inclusive	+63	+69
21 and over	+79	+86

Adult Training Loans Scheme

Mr. Freeman asked the Secretary of State for Employment if he will make it his policy to allocate funds for the proposed pilot adult training loans scheme on a county-by-county basis according to the proportionate size of the local education budget.

Mr. Peter Morrison: Decisions about the proposed pilot scheme for training loans will not be taken until after the period for consultation ends on 31 January. We have noted our hon. Friend's suggestion and will give it due consideration.

Travel-to-work Areas

Mr. Gordon Brown asked the Secretary of State for Employment (1) whether he will reconsider his designation of travel-to-work areas which receive regional assistance following the publication of the 1984 census of employment;

(2) whether he will seek to verify his travel-to-work area employment figures by commissioning a study of the up-to-date employment numbers in the Dunfermline and Kirkcaldy travel-to-work areas.

Mr. Alan Clark: The designation of assisted areas is a matter for my right hon. Friend the Secretary of State for Trade and Industry.

The results of the 1984 census of employment, which are scheduled to become available in the autumn, will provide more up-to-date employment figures for travel-to-work areas including the Dunfermline and Kirkcaldy areas.

Industrial Hazards (Essex)

Sir Bernard Braine asked the Secretary of State for Employment how many of the installations classified as major industrial hazards in the United Kingdom are

located in Essex; if he will name them; on what criteria such classification rests; and when it is intended to review the list.

Mr. Peter Bottomley: We are informed by the Health and Safety Commission that 43 installations in Essex had been notified to the Health and Safety Executive by 31 December 1984 under the Notification of Installations Handling Hazardous Substances Regulations 1982. Section 28 of the Health and Safety at Work etc. Act prevents the Health and Safety Executive from providing a list of names and locations, but the executive is prepared to discuss with any hon. Member informally the position in his or her constituency. The notified installations are defined on the basis of their potential to cause a major accident (which might also have effects off-site), in terms of substances, or groups of substances, and inventories. The list of installations is under continuous review.

Power Presses Regulations

Mr. Corbett asked the Secretary of State for Employment how many employers have *(a)* been cautioned and *(b)* prosecuted, and with what result, for infringement of the Power Presses Regulations 1965 in Birmingham, Coventry, and elsewhere in the west midlands by the west midlands area of the Health and Safety Executive in each of the last five years to the nearest convenient date.

Mr. Peter Bottomley: Between 1981 and 1984 the number of improvement and prohibition notices served in the west midlands area in relation to power presses which are subject to the Power Presses Regulations 1965 are as follows:

	Notices
1981	2
1982	8
1983	14
1984	7

I regret that disaggregate figures for 1980 and figures for different districts within the west midlands are not available.

Between 1980 and 1984 there were 61 successful prosecutions for breaches of the Power Presses Regulations 1965 in the west midlands.

Table I
Prosecutions under the Power Presses Regulations 1965 (West Midlands Area)

	Birmingham	*Coventry*	*Elsewhere in the West Midlands*
1980	3 (5)	1 (1)	5 (5)
1981	4 (8)	—	1 (1)
1982	3 (4)	—	4 (4)
1983	11 (14)	—	10 (10)
1984	6 (7)	—	13 (13)

(Figures in brackets show the number of informations laid)

Table II Penalties (£s) for convictions under the Power Presses Regulations 1965 (West Midlands Area)

	Birmingham	*Coventry*	*Elsewhere in the West Midlands*
1980	1,550	250	750
1981	1,150	—	200
1982	800	—	850
1983	2,800	—	1,250
1984	1,650	—	4,750

Mr. Corbett asked the Secretary of State for Employment how many inspections to check compliance with the Power Presses Regulations 1965 have been carried out by the factory inspectorate of the west midlands area of the Health and Safety Executive in each of the past five years to the nearest convenient date; and how many were carried out in *(a)* Birmingham, *(b)* Coventry and *(c)* elsewhere in the area.

Mr. Peter Bottomley: Between 1981 and 1984 there were 6,721 visits to premises in the west midlands where the Power Presses Regulations applied. Figures are not available for 1980. Details are given in the following table. 2,342 of these visits were made to look generally at health and safety conditions and compliance with the regulations was checked. The purpose and nature of each visit varied for the remainder, but at some of them compliance with the regulations would have been examined. 21 complaints about the safety of power presses received during the period were all investigated.

Number of visits to premises where the Power Presses Regulations 1965 apply (West Midlands)

	Birmingham	*Coventry*	*Elsewhere in the West Midlands*
1981	632 (196)	58 (12)	887 (279)
1982	773 (282)	76 (39)	1013 (383)
1983	715 (243)	76 (30)	963 (341)
1984	545 ((199)	61 (19)	922 (319)

(Figures in brackets show the number of routine visits to look generally at health and safety conditions).

Mr. Corbett asked the Secretary of State for Employment what is the latest estimate of the number of *(a)* employers and *(b)* presses covered by the Power Presses Regulations 1965 in Birmingham, Coventry and elsewhere in the west midlands.

Mr. Peter Bottomley: On 11 January 1985 the following number of premises where persons are employed were registered as having machines subject to the Power Presses Regulations 1965.

	Number
Birmingham	649
Coventry	68
Elsewhere in the west midlands	832

The number of presses covered by the regulations is not known.

Factory Inspectors

Mr. Corbett asked the Secretary of State for Employment what, in each of the last five years to the

nearest convenient date, has been the number of full-time factory inspectors employed by the west midlands area of the Health and Safety Executive.

Mr. Peter Bottomley: The numbers are as follows:

	Number
1 January 1981	63
1 January 1982	60
1 January 1983	56
1 January 1984	52
1 January 1985	47

Books (Price)

Mr. Freud asked the Secretary of State for Employment what information he has as to the percentage increase in the retail price of books for *(a)* the last five years and *(b)* the last 10 years.

Mr. Alan Clark: The retail prices index for books increased by 107 per cent. in the five years to November 1984 and by 349 per cent. in the 10 years to November 1984.

Wages Councils

Mr. Dixon asked the Secretary of State for Employment if he will provide figures for the number of establishments visited by wages council inspectors, the number of establishments found to be in violation of wages councils orders, the amount of money recovered for employees, the number of employers prosecuted and the number fined in *(a)* England, *(b)* the northern region and *(c)* the south Tyneside area, respectively, during 1984.

Mr. Peter Bottomley: The figures requested are not yet available for 1984.

Apprenticeship Training Schemes

Mr. Irving asked the Secretary of State for Employment what consideration he has given to ways of providing greater encouragement to industry to expand apprenticeship training schemes for young people with particular regard to high technology jobs; whether he has any proposals to put to Parliament on this matter; and if he will make a statement.

Mr. Peter Morrison [*pursuant to his reply*, 14 January 1985, c. *35*]: The development of new technology gives rise to changed training needs for young people and adults alike. One of the main objectives of our adult training strategy is to secure an adequate supply of people with up-to-date skills to meet the demands of new technologies, upon which economic growth must be based. The primary responsibility for meeting skill needs rests with employers, who are best placed to determine their future skill requirements, including those for new technology. We have therefore recently launched a campaign to raise awareness among employers of the need for training and retraining.

With regard to young people, the Government continue to make support available through the youth training scheme, both for young people undertaking the first year of long-duration skill training including apprenticeships, and for information technology centres, which are making a positive contribution in equipping many young people with new technology skills.

TRANSPORT

Drivers' Vision Tests

Mr. Evennett asked the Secretary of State for Transport whether he has any plans to alter the vision test for driving test candidates; and if he will make a statement.

Mrs. Chalker: Both opthalmic research and accident studies suggest that the present number plate test constitutes a perfectly satisfactory standard of eyesight for driving. However, I shall be studying carefully the recommendation made by the Select Committee on Transport in this connection.

Mr. Evennett asked the Secretary of State for Transport if he will seek powers to require the marking of driving licences to signify that the holder should wear corrective lenses whilst driving.

Mrs. Chalker: I see no advantage in this.

Mr. Evennett asked the Secretary of State for Transport if he will seek powers to require driving licence holders to undergo periodic vision tests.

Mrs. Chalker: All licence holders already have a statutory responsibility to ensure that their eyesight meets the required standard. The fact that research by the TRRL has indicated that only between 1 per cent. and 3 per cent. of drivers would fail the number plate test suggests that the vast majority of drivers already comply with this requirement. However, I shall be studying carefully the recommendations made by the Select Committee on Transport in this connection.

Air Package Holidays

Mr. McCrindle asked the Secretary of State for Transport what action he has taken since publication of the report on the independent review by Sir Peter Lane into the present arrangements for protecting air package holidaymakers.

Mr. Michael Spicer: Action has already been taken on two of Sir Peter's main recommendations. We have undertaken to reimpose a levy on the holders of air travel organisers' licences should future claims arising from the failure of tour operators seriously reduce the size of the air travel reserve fund. The Civil Aviation Authority is also consulting on proposals to increase the level of bonds which must be provided by ATOL holders.

When he announced publication of the report my hon. Friend, the Parliamentary Under-Secretary of State for Transport, invited the views of the travel and insurance industries. Comments have now been received from a number of interested parties. In addition, the chairman of the Air Travel Reserve Fund Agency has commissioned from Bowring UK Ltd an examination of the feasibility of an insurance based scheme for protecting the interests of those buying package holidays from air tour operators. Bowring's interim conclusions suggest that insurance may be a feasible option and they have now been asked to produce a final report. A decision on the future arrangements for protecting holidaymakers will be taken on the basis of this work, when it has been completed and of the other comments we have received.

I hope to announce the final decision before the summer.

Speed Limits

Mr. D. E. Thomas asked the Secretary of State for Transport if he will consider introducing a speed limit on single track roads in upland areas.

Mrs. Chalker: The national speed limit of 60mph applies to all single carriageway roads and I have no evidence that a lower national limit is needed on single track roads. Lower limits may be imposed locally where appropriate.

SOLICITOR-GENERAL FOR SCOTLAND

Dog Licences

36. **Sir Hector Monro** asked the Solicitor-General for Scotland how many prosecutions have taken place for the failure to purchase a dog licence in the latest convenient year.

The Solicitor-General for Scotland: The most recent year for which figures are available is 1983 when there were 203 prosecutions.

Drugs (Offences)

Dr. Godman asked the Solicitor-General for Scotland if he will list in the *Official Report* the number of drug-related offences tried in *(a)* Scotland and *(b)* Greenock in the years 1978 to 1984.

The Solicitor-General for Scotland: Figures for the number of drug-related offences tried in Scotland and Inverclyde district, which includes Greenock, in the years 1978-1983 are given in the following table. Such information is not yet available for 1984.

Year	*Scotland*	*Inverclyde*
1978	1,144	7
1979	1,317	—
1980	1,386	17
1981	1,164	16
1982	1,627	23
1983	1,952	30

WALES

Fluoride Pollution

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report*, the publication date and availability of project C2 on fluoride pollution effects on north-east Anglesey, financed by the Welsh Office.

Mr. Wyn Roberts: This research project by the Institute of Terrestrial Ecology, Bangor, is ongoing, having commenced in 1971. Periodic progress reports have been published since the work started in 1971. Future data will also be published, although this is a matter for which the Natural Environment Research Council has the prime responsibility as the major contributor.

Infant Mortality Rate

Mr. Gareth Wardell asked the Secretary of State for Wales what was the infant mortality rate and the number of deaths of infants under one year of age for each area health authority in Wales for 1983 and 1984, respectively.

Mr. Wyn Roberts: For the 1983 information I refer the hon. Gentleman to the answer I gave him on 15 May at column *103*. The information for 1984 is not yet available.

Mr. Gareth Wardell asked the Secretary of State for Wales what was the infant mortality rate per 1,000 live births in Wales in 1983 and 1984, respectively.

Mr. Wyn Roberts: 10·7 in 1983. The information for 1984 is not yet available.

Sheep Dipping

Mr. D. E. Thomas asked the Secretary of State for Wales what representations have been received by his Department advocating an amendment to the regulations governing sheep scab control measures to enable sheep dipping to be varied in accordance with local sheep shearing practices; and if he will make a statement.

Mr. Nicholas Edwards: Representations were received from five organisations in Wales about the dates set in 1984 for compulsory dipping against sheep scab. I appreciate that difficulties arise when dipping dates do not coincide with local husbandry practices, but dipping periods which apply nationally are essential if the campaign to eradicate the disease is to succeed.

A-Level Mathematics

Mr. Barry Jones asked the Secretary of State for Wales how many Welsh pupils took A-level examinations in applied and specialist mathematics courses for each year from 1979-80 to 1983-84, inclusive; and how many are expected to do so in 1985.

Mr. John Stradling Thomas: The available information relates to candidates from maintained and independent schools, further education colleges and external candidates who sat Welsh Joint Education Committee A-level summer examinations. The number of entries is given in the following table.

Subject	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Applied Mathematics	227	197	189	195	198	150
Mathematics	1,950	2,207	2,460	2,743	2,867	2,876
Pure Mathematics	277	256	235	257	253	190
Further Mathematics, Statistics, Pure Mathematics and Statistics	20	13	20	14	25	9

Reliable estimates of the numbers of entries to WJEC A-level examinations in the above subjects for 1985 are not available.

Council House Waiting Lists

Mr. Barry Jones asked the Secretary of State for Wales how many families in Wales are currently on council house waiting lists for each relevant local authority.

Mr. Wyn Roberts: I refer the hon. Gentleman to the reply I gave the hon. Member for Caernarfon (Mr. Wigley) on 4 July 1983, at column *16*.

Youth Training Scheme

Mr. Barry Jones asked the Secretary of State for Wales how many youngsters on youth training schemes in Wales were injured at work in *(a)* 1983 and *(b)* 1984.

Mr. Nicholas Edwards: I am informed by the Manpower Services Commission that the information is as follows:

	Injuries		
	Fatal	*Major*	*Minor*
(a) 1 April 1983 to 31 March 1984	—	5	68
(b) 1 April 1984 to 30 September 1984	—	11	91

Details for the quarter ending 31 December 1984 are not yet available.

MSC accident figures for the youth training scheme are compiled on a similar basis to those prepared by the Health and Safety Executive on employed persons. However, the figures quoted may include a number of accidents which did not occur "at work"; for example, road traffic accidents during scheme time and accidents to trainees in educational situations or establishments, which may not have been reportable to the Health and Safety Executive had the individuals been employed.

Injuries are classified according to the severity criteria of the Notification of Accidents and Dangerous Occurences Regulations 1980.

Labour Statistics

Mr. Barry Jones asked the Secretary of State for Wales what percentage of the Wales labour force has been unemployed for *(a)* over three years, *(b)* over two years and *(c)* over one year; and if he will publish the actual numbers involved in each category.

Mr. Nicholas Edwards: Detailed information is not available in the form requested. Available figures are based on employee population. These relate to October 1984 when 24,993, or 2·3 per cent., 16,928, or 1·6 per cent., and 29,981, or 2·8 per cent., were out of work for over three years, two years and one year, respectively.

Job Creation

Mr. Barry Jones asked the Secretary of State for Wales how many *(a)* manufacturing and *(b)* service jobs have been (i) created and (ii) lost to Wales in each year from 1978-79 to 1984-85.

Mr. Nicholas Edwards: Net changes in levels of employment—excluding self employment—are indicated by the estimates of employees in employment compiled by my right hon. Friend the Secretary of State for Employment. These, for the years concerned and for the standard industrial classification concerned, are given in the following table:

Year (sic 1980)	*Manufacturing*		*Service*	
June each year	*Number of employees in employment*	*Change on previous year*	*Number of employees in employment*	*Change on previous year*
1978	311,000	—	558,000	—
1979	312,000	+ 1,000	574,000	+16,000
1980	288,000	−24,000	573,000	− 1,000
1981	239,000	−49,000	564,000	− 9,000
1982	226,000	−13,000	560,000	− 4,000
1983	213,000	−13,000	572,000	+12,000
1984	212,000	− 1,000	581,000	+ 9,000

O-level Modern Languages

Mr. Barry Jones asked the Secretary of State for Wales how many Welsh secondary school pupils took O-level examinations in *(a)* one modern language and *(b)* two modern languages for each of the years 1979-80 to 1983-84; and how many are expected to do so in June.

Mr. John Stradling Thomas: The information is not available centrally in the form requested. Details of the number of entries — including those from further education establishments and external candidates — by individual subject are, however, published annually by the Welsh Joint Education Committee in its report on the summer examinations.

AGRICULTURE, FISHERIES AND FOOD

Sugar

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what have been the European Economic Community intervention price for sugar beet, the sugar price paid to ACP countries and the average world sugar price in each of the past five years.

Mr. MacGregor: There is no intervention price for sugar beet. The intervention price for raw sugar, the guaranteed price for raw sugar imported from ACP countries under preferential arrangements and the average London daily price for raw sugar have been as follows —on a July-June basis:

	*Intervention price for raw sugar** £ per tonne	*ACP guaranteed price for raw sugar*†* £ per tonne	*Average London daily price for raw sugar‡* £ per tonne
1979-80			
1 July '79 to 30 September '79	198·39	198·39	191·05
1 October '79 to 16 December '79	200·59	200·59	
17 December '79 to 30 June '80	211·15	211·15	
1980-81	222·04	222·04	278·85
1981-82	238·68	240·90	158·66
1982-83	263·73	263·73	111·74
1983-84	274·31	274·31	134·44

Source: Average London daily price — International Sugar Organisation.

* Converted from ECU at the appropriate representative rate.

† Supplies of preferential ACP sugar are marketed in the Community at prices freely negotiated between buyers and sellers. The Community guarantees to purchase, at the guaranteed price, quantities of white or raw sugar, within agreed quantities, which cannot be marketed in the Community at a price equivalent to or in excess of the guaranteed price.

‡ There is no single world price for sugar. The London daily price is representative of the prices on the world market.

Council of Agriculture Ministers

Mr. Leigh asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the Council of Agriculture Ministers' meeting held in Brussels on 14-15 January.

Mr. Jopling: Together with my hon. Friend the Minister of State in my Department I represented the United Kingdom at this meeting.

The Commission proposed changes to the rules for milk quotas including one intended to meet my request for a provision allowing producers to exchange their direct sale and wholesale quotas. They also proposed, for 1984-85 only, that unused quota could be reallocated within a member state to producers, dairies or regions where deliveries exceed quotas. While reaffirming our commitment to an effective supplementary levy system, I gave a cautious welcome to these proposals which will now be examined in detail at official level.

On structures, the Italian presidency said that it would put forward a compromise covering all proposals on the table with a view to a decision being taken at the next meeting of the Council; I emphasised that any compromise must include satisfactory provisions on conservation.

Four measures were adopted providing for the same quantities of cattle and beef to be imported into the Community in 1985 on specially favourable terms as was permitted in 1984. This was a satisfactory outcome which will allow our processors and traders to secure beef of the qualities they need.

With three other colleagues I complained about the slow progress made by the Commission in dealing with the Dutch national aid on gas prices. The Commission undertook to expedite the matter.

The Council had a first discussion of the proposals designed to implement the agreement on wine reached at the European Council in December. It will return to this subject at its next meeting.

The next meeting of the Council is scheduled for 25-26 February.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if there are now any plans to discuss with Argentina the future of the Falklands.

Mr. Renton: No. But as I told my hon. Friend the Member for Crawley (Mr. Soames) on 12 December, at column *521*, we remain ready to pursue practical ways of improving bilateral relations with Argentina.

Western European Union

Mr. Hill asked the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards reforms to the institutions and practices of the Western European Union which were outlined in Herr Genscher's address to the Western European Union Assembly on 29 October 1984.

Mr. Renton: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) on 12 November, at column *151*, in which I drew attention to our policy of full support for the reactivation and reform of WEU as agreed by Foreign and Defence Ministers at Rome on 27 October last year, and as subsequently reported by Herr Genscher to the WEU assembly in Paris.

Antarctica Treaty

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effect of the decision to transfer use of the Adelaide base in Antarctica to Chile on the Chilean position in the review of the Antarctica treaty in 1991; and if he will make a statement.

Mr. Renton: Article IV of the Antarctica treaty states, inter alia, that

"no acts or activities taking place while the present Treaty is in force shall constitute a basis for asserting, supporting or denying a claim to territorial sovereignty in Antarctica."

The arrangements made with Chile over the use of the Adelaide base thus have no legal effect on the sovereignty positions of either the United Kingdom or Chile in Antarctica and would have no direct bearing on any future review of the treaty.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs why he did not announce his decision to hand over the use of the Adelaide base to Chile by means of an oral statement in the House.

Mr. Renton: Co-operation in both scientific and logistic activities is both regular and normal between Antarctic treaty consultative parties. There was, therefore, no requirement to inform the House of the new arrangements made for the use of the Adelaide station.

Mr. Mushtaq Hussein (Immigration)

Mr. Kaufman asked the Secretary of State for Foreign and Commonwealth Affairs if he will institute an urgent inquiry within his Department into the reasons for the

delay of Her Majesty's embassy in Islamabad in deciding the application by Mushtaq Hussein of PO Syedwala District, Shiekupura, to join his wife, Mrs. Perveen Hussein of 55 Birch Lane, Longsight, Manchester 13, following his interview of 20 June 1984.

Mr. Renton: Her Majesty's embassy in Islamabad has advised that, as a result of inquiries made during the course of a field trip on 14 January to Mr. Hussein's village in the Sheikhupura area, he has been informed that a visa can be issued to him.

Mr. Kaufman asked the Secretary of State for Foreign and Commonwealth Affairs why consideration of the application by Mr. Mushtaq Hussein to come to the United Kingdom was delayed through the absence on holiday in Britain of the officer handling the case.

Mr. Renton: The entry clearance application was not delayed through the absence on holiday of any individual member of the immigration section staff of the embassy in Islamabad. When an officer goes on leave his outstanding work is reallocated to other members of the immigration section.

Mr. Kaufman asked the Secretary of State for Foreign and Commonwealth Affairs if he will admit Mr. Mushtaq Hussein to the United Kingdom before 27 January.

Mr. Renton: Mr. Hussein was informed on 14 January that the issue of a visa has been approved and would be issued at his convenience.

NATIONAL FINANCE

Workplace Nurseries

Mrs. Clwyd asked the Chancellor of the Exchequer what representations he has received during the last two months from the Institute of Personnel Management concerning the taxability of benefit for workplace nurseries.

Mr. Moore: The Institute of Personnel Management wrote to me on this subject on 20 November.

Sterling Exchange Rate

Mr. Deakins asked the Chancellor of the Exchequer, over the past two years, what has been the change against the United States dollar of the exchange rate for the £ sterling; and what information he has as to changes against the United States dollar of the currencies of Saudi Arabia, Kuwait, Venezuela and Nigeria and other oil exporters, respectively.

Mr. Ian Stewart: The percentage changes in the US dollar exchange rate against the currencies requested, between January 1983 (average) and the latest available rates, that is, for 9 January 1985 for all currencies except sterling, for which the closing rate on 14 January is used, are as follows:

	Percentage change
United Kingdom (pound sterling)	−29·3
Saudi Arabia (Riyal)	−3·6
Kuwait (Dinar)	−5·8
Venezuela (Bolivar)	−193·5
Nigeria (Naira)	−20·6
Other major oil exporters	
Algeria (Dinar)	−10·7
Indonesia (Rupiah)	−55·5
Iran (Rial)	−12·8
Iraq (Dinar)	*0
Libya (Dinar)	*0
Mexico (Peso)	−116·3
Norway (Krone)	−30·0
United Arab Emirates (Dirham)	*0
USSR (Rouble)	−22·3

* These currencies are pegged against the dollar.

Income Tax

Mr. Gareth Wardell asked the Chancellor of the Exchequer if he will list by standard economic planning region the yield of income tax per capita for each year since 1977-78.

Mr. Moore: Estimates have been made from sample inquiries and are subject to sampling error. The following table gives estimates of the yield of income tax per capita for each of the standard economic planning regions for the years 1977-78 to 1982-83 (the latest year for which information is available). Estimates of income tax due on income assessable to tax for each financial year have been divided by estimates of the population at the end of the first quarter of the financial year. For years up to and including 1979-80, income tax payable by taxpayers whose main source of income was assessable under schedule D was allocated to the region in which the assessment was made, generally the region in which the business was conducted. For other taxpayers, and from 1980-81 for all taxpayers, the allocation of income tax to region was by place of residence.

Per capita Income Tax due in year (£)

Economic Planning Region	*1977-78*	*1978-79*	*1979-80*	*1980-81*	*1981-82*	*1982-83*
Northern	281	316	337	399	461	497
Yorkshire and Humberside	286	341	365	411	479	494
North Western	293	306	348	421	482	509
East Midlands	288	309	333	407	464	520
West Midlands	319	359	385	410	497	488
East Anglia	313	309	381	433	514	530
South East	387	437	478	580	678	720
South West	295	314	368	436	500	513
Wales	243	269	283	369	418	446
Scotland	285	325	372	434	508	506
Northern Ireland	207	251	268	316	371	384

Note: Composite rate tax on building society interest is included but coverage is incomplete.
Source: Survey of Personal Incomes; Home population estimates.

Mr. Ralph Howell asked the Chancellor of the Exchequer how many persons paid income tax in January 1979, 1980, 1981, 1982, 1983, 1984 and at the latest date for which figures are available.

Mr. Moore: The number of persons paying income tax in particular months cannot be estimated from Inland Revenue records. The available information relates to financial years and covers persons liable to tax in each financial year. This, including provisional estimates for the current and the two preceding financial years, has been published in table 1.3 of "Inland Revenue Statistics 1984".

Independent Schools

Mr. Radice asked the Chancellor of the Exchequer if he will estimate the amount of tax and rate of relief received by independent schools in 1983-84 by virtue of their charitable status.

Mr. Moore: I regret that the information is not available.

Trident

Mr. Alton asked the Chancellor of the Exchequer if he will make a statement on the net effect which the Trident project will have on the balance of payments.

Mr. Ian Stewart: No worthwhile estimate of the effect can be made.

HMSO Publications

Mr. Freud asked the Chancellor of the Exchequer what has been the average percentage increase in the retail price of Her Majesty's Stationery Office publications *(a)* over the last 10 years and *(b)* over the last five years.

Mr. Hayhoe: Her Majesty's Stationery Office did not begin keeping consistent records of average prices for publications until 1976, so the information is not available in the form requested. The year by year increase since 1976 is as follows:

	per cent.
1977	28
1978	Nil
1979	6
1980	*68
1981	15
1982	18
1983	9
1984	5

* See Note 1.

Notes

1. The HMSO was reconstituted as a trading fund on 1 April 1980 and the exceptionally high year on year increase shown for 1980 reflects action required by statute to cover costs not previously accounted for, as well as increased production costs.

2. Since becoming a trading fund, the aggregate average increase in the price of parliamentary papers (excluding *Hansard*) is 73 per cent. There has been no increase since April 1983.

Exchange Rates

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer if he will publish a table showing the London market rates of exchange at close of business on 11 January between the pound sterling and the currencies of the European member states of the Organisation for Economic Co-operation and Development and the rates which would correspond to the purchasing power parities of the same currencies on the basis of the recent studies on the subject by the Organisation for Economic Co-operation and Development updated as necessary to the most recent convenient date.

Mr. Ian Stewart: The closing market exchange rates on 11 January 1985 of sterling against other European Community countries' currencies are given in the following table. The exchange rates that would correspond to aggregate GDP purchasing power parities in 1984, as estimated for the OECD in its December 1984 Working Paper No. 17 "Real Gross Product in OECD Countries and Associated Purchasing Power Parities', are given in brackets. As the working paper explains, purchasing power parities should not be interpreted as equilibrium exchange rates.

Exchange rates (for 11 January 1985) and PPP estimates (for 1984) of other European currencies against the pound sterling

	Exchange rates	*Estimated purchasing power parities*
Belgium (Franc)	71·27	(70·86)
Denmark (Krone)	12·74	(16·21)
France (Franc)	10·91	(12·28)
West Germany (Mark)	3·56	(4·24)
Greece (Drachma)	145·45	(116·21)
Ireland (Punt)	1·12	(1·14)
Italy (Lira)	2,190·10	(2,224)
Luxembourg (Lux franc)	71·27	(73·22)
Netherlands (Guilder)	4·02	(4·59)

Basic and Social Infrastructure

Mr. Rooker asked the Chancellor of the Exchequer how he measures the rate of return on *(a)* basic infrastructure and *(b)* social infrastructure.

Mr. Peter Rees [*pursuant to his reply*, 9 January 1985, c. *487*]: All infrastructure projects are assessed on their merits. Financial returns are measured by the net additions to revenue, cost savings or other measures of net benefit expected over the life of the investment. Social considerations are not precisely measurable but are taken into account where appropriate in the final decision.

HOME DEPARTMENT

Water Cannon

Mr. Deakins asked the Secretary of State for the Home Department what consideration was given to the use of water cannon before he agreed to the use of baton rounds by police in Great Britain.

Mr. Giles Shaw: Baton rounds were first made available to the police in England and Wales following the serious rioting in 1981. The Department was aware that water cannon were used by some countries for public order purposes, but also that they had rarely proved effective in Northern Ireland. The possible use of water cannon has been kept under review since 1981 and two prototype water cannon have been built, but their evaluation has not yet been completed.

Metropolitan Police (Surplus Living Accommodation)

Mr. Spearing asked the Secretary of State for the Home Department what changes he has required or authorised in respect of disposal of surplus living accommodation by the Metropolitan police; and what consultations he undertook prior to any change in the procedures concerned.

Mr. Giles Shaw: None. The Metropolitan police's practice on the sale of land and buildings identified as surplus to requirements is to offer it for sale on the open market, except where it was acquired by compulsory purchase and there is an obligation to offer it back to the original owner. This is consistent with the practice laid down for Government Departments and other public bodies by my right hon. Friend the Secretary of State for the Environment and referred to in reply to a question from my hon. Friend the Member for Streatham (Mr. Shelton) on 13 June 1979, at column 255.

Industrial Accidents

Mr. Wardell asked the Secretary of State for the Home Department if he plans to revise the joint circular of his Department (ES 7/1975) to take fuller account of major industrial accidents.

Mr. Giles Shaw: Yes, in order to include reference to recent legislation on major industrial accidents.

War Risks Study (Greater London)

Mr. Neil Thorne asked the Secretary of State for the Home Department if his Department intends to supply information and resources for the Greater London area war risks study.

Mr. Giles Shaw: A renewed grant-aid application from the Greater London council for its Greater London area war risks study has been received and is being considered.

Civil Defence

Mr. Neil Thorne asked the Secretary of State for the Home Department whether the new training package for civil defence volunteers will cover law and order.

Mr. Giles Shaw: A working party on the production of standardised training material for volunteers will be convened shortly. We are considering with the police how information can usefully be made available through the working party about police wartime duties and the maintenance of law and order.

Dr. Marek asked the Secretary of State for the Home Department where the site is for the proposed civil defence north Wales regional headquarters; and when building work is expected to begin.

Mr. Giles Shaw: It would not be in the public interest to disclose details concerning this type of administrative centre.

Radiac Meters

Mr. Neil Thorne asked the Secretary of State for the Home Department when his Department expects to be able to release the modified Plessey dose rate meter two radiac meters to local authorities.

Mr. Giles Shaw: Issue is expected to begin later this year and be completed during 1986.

West Midlands Police

Mr. Roger King asked the Secretary of State for the Home Department whether he is satisfied with the manpower levels of the West Midlands police force.

Mr. Giles Shaw: It is the responsibility of the police authority to maintain an adequate and efficient police force for its area. On 30 November 1984 the West Midlands force had 6,551 police officers and 1,367 full time civilian staff. The staffing levels in relation to population are in line with those in similar areas.

Police Officers (Picket Line Duty)

Mr. Roger King asked the Secretary of State for the Home Department whether the administration of justice in the courts has been affected by the attendance of police officers on picket line duty.

Mr. Mellor: The absence of officers on picket line duty may have led some courts on occasion to adjourn proceedings in which an officer's attendance was essential. Otherwise, we have no reason to believe that the administration of justice in the courts has been affected.

Disorder (Brixton)

Mr. Proctor asked the Secretary of State for Home Affairs if he will call for a report from the Commissioner of Police of the Metropolis concerning the incidents of disorder which occurred at Brixton, London, on Sunday 6 January; what was the cause and nature of the disturbance; how many persons were involved; how many were arrested; whether there were any injuries; and if he will make a statement.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that on the evening of 6 January 3,000 people attended a reggae concert in aid of Ethiopian famine relief at the Academy, Stockwell road, London SW9. At about 11 pm two police officers attempted to arrest a man who had been detained inside the building by security staff on suspicion of theft and being armed. A number of people intervened to prevent the arrest and the man escaped into the auditorium. The two officers gave chase, but were set upon by members of the audience. One officer received stab wounds to the thigh whilst the other was knocked unconscious by a blow from a bottle. Police reinforcements quickly arrived on the scene and dealt with the disturbance. A further five officers sustained minor injuries. One person was arrested and charged with causing grievous bodily harm with intent.

Cannabis (Conviction Statistics)

Mr. Alex Carlile asked the Secretary of State for the Home Department how many convictions there were in each of the years 1981 to 1984 for the offences of possession of cannabis or cannabis resin, where the amount involved was less than one gramme.

Mr. Mellor: The information requested is not available; the amounts of drugs involved are reported for drugs seizures, but not for drugs offences.

Intoxicating Liquor (On-licences)

Mr. Alex Carlile asked the Secretary of State for the Home Department how many establishments in England

and Wales were in possession of a full justices on-licence for the sale of intoxicating liquor in each of the years 1981 to 1984.

Mr. Mellor: The numbers of justices on-licences in force on 30 June in 1982 and 1983 is given, by type of premises, in table 1 of "Liquor Licensing Statistics, England and Wales, July 1982-June 1983" (Home Office Statistical Bulletin 24/83), a copy of which has been placed in the Library of the House. A breakdown of this information by type of licence is available for public houses, and so on, but not for licensed clubs, restaurants or guest houses. Licences for the sale of intoxicating liquor of all descriptions were held by 67,766 of the public houses and so on, with justices on-licences in force on 30 June 1982 and by 68,421 such premises in 1983. Information for 1981 and 1984 is not available.

Crime Statistics

Mr. Squire asked the Secretary of State for the Home Department what has been the increase over the last five years in *(a)* recorded criminal offences of any kind and *(b)* the numbers of those found guilty of criminal offences of any kind.

Mr. Mellor: The information is published annually in "Criminal Statistics, England and Wales" (table 1.1 of the issue for 1983, Cmnd. 9349).

Prisoners (Maintenance Costs)

Mr. Proctor asked the Secretary of State for the Home Department if he will estimate the current average weekly cost of maintaining a person in prison and the current average weekly cost of supervising a person under a community service order; and if he will make a statement.

Mr. Mellor: During the financial year 1982-83, the latest year for which comparable figures are available, the average weekly costs of keeping a person in custody was £218, and the estimated weekly cost of supervising a person under a community service order was £10; the latter figure is based on the breakdown of probation service expenditure made by local authorities. The Government are anxious to maximise the use of non-custodial penalties in appropriate cases, but decisions in individual cases must be for the courts.

Prisoners (Police Cells)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the number of occasions in 1984 in which (i) remand and (ii) sentenced prisoners were held in police cells; and what was the date, location and number of prisoners involved in each occasion.

Mr. Mellor: The numbers of prisoners held in police cells during 1984 are as shown in the following table: so far as I am aware, all the prisoners so held were unsentenced. Compiling further information about location would involve disproportionate cost.

	Metropolitan Police		*Other Forces*		*Total*
	Male	*Female*	*Male*	*Female*	
3-4 January	3	—	—	—	3
4-5 January	1	—	—	—	1
5-6 January	8	—	—	—	8
6-9 January	11	—	—	—	11
9-10 January	25	—	4	—	29
10-11 January	20	—	1	—	21
11-12 January	14	—	2	—	16
12-13 January	11	—	—	—	11
13-16 January	12	—	1	—	13
16-17 January	33	4	1	—	38
17-18 January	50	—	1	—	51
18-19 January	25	—	—	—	25
19-20 January	23	—	—	16	39
20-23 January	31	—	3	—	34
23-24 January	56	5	4	5	70
24-25 January	44	13	—	6	63
25-26 January	36	12	—	8	56
26-27 January	39	21	—	11	71
27-30 January	80	14	—	1	95
30-31 January	116	15	1	13	145
31 January-1 February	92	15	—	14	121
1-2 February	91	26	—	11	128
2-3 February	64	31	—	11	106
3-6 February	76	40	7	16	139
6-7 February	78	42	9	23	152
7-8 February	83	37	8	4	132
8-9 February	68	47	12	13	140
9-10 February	56	39	15	6	116
10-13 February	74	26	21	1	122
13-14 February	74	30	11	5	120
14-15 February	67	22	10	8	107
15-16 February	53	26	8	5	92
16-17 February	62	34	11	8	115
17-20 February	88	29	23	2	142
20-21 February	107	38	26	10	181
21-22 February	130	34	45	4	213
22-23 February	113	48	28	4	193
23-24 February	106	43	32	8	189
24-27 February	120	43	40	—	203
27-28 February	155	49	46	10	260
28-29 February	110	46	61	13	230
29 February-1 March	89	49	70	5	213
1-2 March	79	48	79	5	211
2-5 March	88	34	82	—	216
5-6 March	96	37	81	2	216
6-7 March	77	37	70	1	185
7-8 March	68	36	66	3	173
8-9 March	67	45	60	5	177
9-12 March	99	25	54	1	179
12-13 March	108	29	61	4	202
13-14 March	95	28	70	4	197
14-15 March	78	31	63	—	172
15-16 March	89	35	33	3	160
16-19 March	110	21	28	—	159
19-20 March	111	28	40	—	179
20-21 March	106	20	39	—	165
21-22 March	95	16	26	—	137
22-23 March	101	16	15	—	132
23-26 March	103	16	9	2	130
26-27 March	117	21	14	4	156
27-28 March	104	23	13	—	140
28-29 March	110	21	10	4	145
29-30 March	115	17	8	6	146
30 March-2 April	155	23	14	4	196
2-3 April	142	20	50	—	212
3-4 April	134	18	38	1	191
4-5 April	135	27	30	1	193
5-6 April	93	21	43	1	158
6-9 April	58	1	29	—	88
9-10 April	58	—	25	1	84
10-11 April	68	—	15	—	83
11-12 April	59	5	2	2	68
12-13 April	43	6	1	5	55
13-16 April	67	9	1	—	77
16-17 April	73	6	11	1	91
17-18 April	42	4	2	9	57
18-19 April	1	9	—	—	10
23-24 April	23	—	—	—	23

	Metropolitan Police		Other Forces		Total
	Male	Female	Male	Female	
24-25 April	12	—	—	—	12
25-26 April	16	—	—	—	16
26-27 April	13	—	—	—	13
27-30 April	10	—	—	—	10
30 April-1 May	10	—	—	—	10
1-2 May	10	—	2	—	12
2-3 May	32	—	—	—	32
3-4 May	18	—	—	—	18
7-8 May	12	—	—	—	12
8-9 May	12	—	1	1	14
9-10 May	1	—	—	—	1
11-12 May	7	—	2	—	9
14-15 May	21	7	1	14	43
15-16 May	25	5	1	8	39
16-17 May	—	2	—	11	13
17-18 May	8	5	—	10	23
18-21 May	30	15	—	8	43
21-22 May	52	27	1	8	88
22-23 May	33	7	—	1	41
23-24 May	19	—	2	—	21
28-29 May	30	2	—	1	33
29-30 May	21	—	—	—	21
30-31 May	1	1	—	—	2
31 May-1 June	—	3	—	—	3
1-4 June	1	—	—	—	1
4-5 June	7	—	1	—	8
5-6 June	7	9	7	2	25
6-7 June	13	16	—	—	29
7-8 June	—	5	—	—	5
8-11 June	17	—	1	—	18
11-12 June	26	—	1	4	31
12-13 June	19	4	1	1	25
13-14 June	17	—	4	1	22
14-15 June	18	6	—	1	25
15-18 June	2	—	2	1	5
18-19 June	24	21	—	3	48
19-20 June	15	26	—	10	51
20-21 June	8	20	—	14	42
21-22 June	11	24	1	—	36
22-25 June	10	17	—	3	30
25-26 June	55	27	1	11	94
26-27 June	5	26	—	5	36
27-28 June	4	28	3	4	39
28-29 June	6	27	—	4	37
29 June-2 July	—	14	5	3	22
2-3 July	—	14	6	2	22
3-4 July	—	17	1	1	19
4-5 July	—	20	1	2	23
5-6 July	—	17	—	2	19
10-11 July	—	—	3	—	3
11-12 July	—	3	—	5	8
12-13 July	—	12	—	3	15
16-17 July	3	9	—	2	14
17-18 July	7	8	—	3	18
18-19 July	—	—	—	4	4
19-20 July	—	12	—	2	14
20-23 July	—	2	—	4	6
23-24 July	4	1	—	5	10
24-25 July	5	—	1	—	6
25-26 July	—	4	—	—	4
8-9 August	—	—	—	1	1
14-15 August	—	—	—	1	1
21-22 August	15	6	—	—	21
22-23 August	—	1	—	—	1
23-24 August	6	—	—	—	6
28-29 August	13	—	—	—	13
31 August-3 September	3	—	—	—	3
10-11 September	—	1	—	1	2
17-18 September	—	7	—	1	8
24-25 September	2	—	1	3	6
25-26 September	3	—	—	—	3
26-27 September	—	—	—	1	1
27-28 September	—	1	—	—	1
28 September-1 October	15	—	—	—	15
1-2 October	3	—	—	—	3
2-3 October	7	—	—	—	7
3-4 October	—	—	—	1	1
5-8 October	—	2	—	—	2
11-12 October	5	—	—	—	5
15-16 October	12	—	—	—	12
17-18 October	—	4	—	5	9
18-19 October	—	3	—	—	3
23-24 October	—	—	1	—	1
24-25 October	4	2	—	—	6
25-26 October	9	4	—	—	13
29-30 October	—	7	—	—	7
30-31 October	—	5	—	3	8
31 October-1 November	—	9	—	—	9
1-2 November	1	1	—	—	2
2-5 November	—	—	—	1	1
5-6 November	—	6	—	—	6
7-8 November	7	—	—	—	7
8-9 November	—	—	—	1	1
9-12 November	—	—	—	1	1
12-13 November	6	7	—	2	15
13-14 November	—	11	—	—	11
14-15 November	—	3	—	—	3
15-16 November	10	15	—	—	25
16-19 November	7	9	—	1	17
19-20 November	—	13	—	5	18
20-21 November	—	16	—	3	19
21-22 November	1	19	—	2	22
22-23 November	—	13	—	2	15
23-26 November	—	12	—	—	12
26-27 November	—	12	—	—	12
27-28 November	—	3	—	1	4
28-29 November	—	9	—	—	9
29-30 November	—	13	5	—	18
30 November-3 December	—	11	—	1	12
3-4 December	1	17	—	5	23
4-5 December	4	3	—	1	8
5-6 December	—	—	—	2	2
6-7 December	—	6	—	1	7
7-10 December	1	7	—	1	9
10-11 December	—	9	—	5	14
11-12 December	—	4	—	—	4
12-13 December	—	1	—	—	1
13-14 December	1	—	—	—	1
17-18 December	3	—	—	—	3
18-19 December	4	—	—	—	4

Drug Abuse

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he will make a statement on the meeting of the ministerial working group on drug abuse.

Mr. Mellor: The ministerial group on the misuse of drugs has met four times, most recently on 12 December 1984, and is meeting again later this month.

The group is continuing its work of reviewing, co-ordinating and developing the Government's policies to tackle drug misuse across a broad front. It has given particular attention to policies bearing on enforcement and prevention.

Police (Medical Treatment)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many police officers received financial assistance toward dental, optical or medical treatment in 1983 and 1984; what was the cost in each case; and why the officers were assisted.

Mr. Giles Shaw: For the reasons why police officers are reimbursed the costs of NHS prescriptions and dental

treatment, I would refer the hon. Member to the reply I gave to a question from the hon. Member for Walthamstow (Mr. Deakins) on 11 January, at column 560. The other information is not collected centrally and could not be obtained without disproportionate cost.

Unruliness Certificates

Mr. Sims asked the Secretary of State for the Home Department how many certificates of unruliness were issued in each of the last five years in respect of 15 and 16-year-old boys.

Mr. Mellor: The following table shows, for each of the past five years, in the first column the number of certificates of unruliness issued in respect of boys aged 15 or 16, and in the second column the number of boys aged 14 to 16 first received into prisons and remand centres, on remand before or during trial, under the unruliness certification procedure. (A fresh certificate is required each time a boy is remanded under the procedure.)

	Certificates for boys aged 15 or 16	*Boys aged 14 to 16**
1980	2,748	1,910
1981	2,494	1,766
1982	2,270	1,544
1983	1,829	†1,497
1984	1,699	‡

* The unruliness certification procedure ceased to be available for 14 year old boys on 31 March 1981.
† Provisional.
‡ Not yet available.

Magistrates' Court, Liverpool

Mr. Loyden asked the Secretary of State for the Home Department what plans he has for the provision of a new magistrates' court building in Liverpool.

Mr. Giles Shaw: Responsibility for the provision of magistrates' courthouse accommodation rests in the first instance with the local authority in consultation with the magistrates' courts committee. In February 1983 Home Office approval was given to the city council's scheme for a new major courthouse complex to replace existing facilities in Liverpool with a view to an expected start in 1985. We have recently been informed by the council that it is unable to proceed with this scheme.

Laboratory Animals

Mr. Gale asked the Secretary of State for the Home Department whether the Government intend to commission any research into ways of improving the accommodation of laboratory animals.

Mr. Brittan: Yes. The Government are paying £30,000 to the Universities Federation for Animal Welfare for a project into improving the caging of laboratory rodents by finding the conditions most suitable for their well-being. The project will take two years to complete and the results will be reported to the Advisory Committee on Animal Experiments. The Government believe that this work will make an important contribution to the welfare of laboratory animals, by helping laboratories to provide the best possible conditions for the animals.

Police and Criminal Evidence Act 1984

Mr. Wheeler asked the Secretary of State for the Home Department whether he has received representations from the Association of Chief Police Officers about the date set for the implementation of part IX of the Police and Criminal Evidence Act 1984.

Mr. Brittan: I met representatives of the association on Thursday 3 January. They indicated to me that in order to prepare their forces adequately to operate the new complaints and discipline procedures they would be assisted by a slight delay in the implementation of part IX of the 1984 Act. I have considered their representations and decided to defer the implementation from 1 March 1985 to 1 April 1985.

EDUCATION AND SCIENCE

O and A-level Examination Standards

Mr. Deakins asked the Secretary of State for Education and Science how he satisfies himself that the standard of O and A-level examinations and the standard required at each grade do not vary over time.

Mr. Dunn: The monitoring of examination standards over time is one of the functions of the Secondary Examinations Council, in consultation with the examining boards.

Teachers

Mr. Deakins asked the Secretary of State for Education and Science how many teachers trained in publicly financed colleges of education are working in the private school sector; and what contribution is made by the private sector to the training costs of such teachers.

Mr. Dunn: The Department has no record of the number of teachers involved. The independent schools sector contributes to the cost of initial teacher training in so far as it pays rates and taxes.

Mr. Deakins asked the Secretary of State for Education and Science if he will list his powers to set minimum qualifications for teaching in the private sector of education from five to 16-year-olds.

Mr. Dunn: My right hon. Friend has no such powers. However, section 71 of the Education Act 1944 places him under a duty to take action against an independent school which fails to provide efficient and suitable instruction. He would accordingly be concerned about a school in which the teachers had insufficient relevant qualifications or experience.

HOUSE OF COMMONS

Electronic Screening Machine, St. Stephen's Entrance

Mr. David Atkinson asked the Lord Privy Seal if he will take steps to ensure that pregnant women are not obliged to pass through the electronic screening machine at St. Stephen's Entrance.

Mr. Biffen: No. I am assured that there is no reason to adopt the measure suggested by my hon. Friend.

ENVIRONMENT

Right to Buy

Mr. Nicholas Baker asked the Secretary of State for the Environment if he will issue printed forms setting out the written notice claiming the right to buy pursuant to section 5 of the Housing Act 1980 in compliance with the Housing (Right to Buy) (Prescribed Forms) (No. 1) Regulations 1980 which may be used by any individual in relation to any local authority, housing association or other body owing a dwelling-house; and if he will make a statement.

Sir George Young: A revised form for use by tenants in claiming to exercise their right to buy was prescribed in the Housing (Right to Buy) (Prescribed Forms) Regulations 1984 (SI No. 1175). Supplies of the new form were distributed to all local authorities last August and may also be obtained from my Department.

Departmental Staff (Qualifications)

Mr. Heddle asked the Secretary of State for the Environment how many personnel in his Department have *(a)* approved professional qualifications and *(b)* professional and practical experience in the field of rating and valuation generally, and in the field of rating and valuation of commercial and industrial hereditaments, particularly.

Mr. Waldegrave: Both the PSA and DOE(C) employ staff with approved professional qualifications in the field of rating and valuation. In the PSA 317 out of the 409 staff employed as estates surveyors are qualified as chartered surveyors. IN DOE(C), all 15 estates officers are so qualified; these staff have all been trained in rating and valuation practice, including rating and valuation of commercial and industrial hereditaments.

None of the estates surveyors employed by PSA have experience in the field of rating and valuation gained whilst in the Department. Although some will have gained such experience elsewhere before joining PSA, this is not readily available from our records. Of the estates officers employed by DOE(C), over three quarters have had practical rating experience in the past outside the Department, although not currently engaged in rating work. All estates officers in DOE(C) are involved in the evaluation and appraisal of commercial and industrial land and buildings.

Mr. Heddle asked the Secretary of State for the Environment how many of his Department's inspectors possess *(a)* recognised town and country planning qualifications and *(b)* have practical and professional experience in the field of town and country planning.

Mr. Macfarlane: 114 full-time housing and planning inspectors, 38 part-time inspectors in the Department of the Environment's planning inspectorate, and 12 inspectors on the Lord Chancellor's panel possess recognised town and country planning qualifications. A further 51 full-time and 43 part-time inspectors and 32 inspectors on the Lord Chancellor's panel hold relevant qualifications in other fields. Some inspectors are qualified in more than one field.

All those inspectors who possess town and country planning qualifications have had practical and professional experience in the field of town and country planning.

Home Improvement Grants

Mr. Heddle asked the Secretary of State for the Environment when he proposes to publish his Department's proposals in the form of a consultation document on the review of private sector home improvement grants.

Sir George Young: My right hon. Friends the Secretary of State for the Environment and the Secretary of State for Wales hope to issue a consultation document on private sector home improvement policy as soon as possible.

Councils (Real Estate Transfers)

Mr. Heddle asked the Secretary of State for the Environment what plans he has to monitor the efficacy and the method of the transfer of real estate holdings from the Greater London council and the metropolitan county councils to the residuary boards; and what estimates he has made for the stamp duty which will have to be paid in respect of these transfers.

Sir George Young: Transfers of real property to the residuary bodies on the abolition of the GLC and MCCs will take place by the authority of Parliament. There will be no continuing process to monitor, and I do not expect any liability for stamp duty to arise.

Construction Companies (Discrimination)

Mr. Heddle asked the Secretary of State for the Environment pursuant to his Answer to the hon. Member for Mid-Staffordshire on 19 November 1984, *Official Report*, column 30, if he will describe in detail the options that his Department is examining to prevent local authorities from discriminating against private construction companies for reasons which have nothing to do with the quality of their workmanship.

Mr. Waldegrave: Further to his statement in the House on 7 November my right hon. Friend will very shortly be issuing a consultation paper dealing with this amongst other issues.

Water Metering

Mr. David Atkinson asked the Secretary of State for the Environment if he will make a statement on progress towards reducing the cost of water metering for domestic use.

Mr. Macfarlane: I refer my hon. Friend to the reply which my hon. Friend the Minister for Housing and Construction gave to my hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) on 19 November 1984 at column *31*.

Natterjack Toad

Mr. Chris Smith asked the Secretary of State for the Environment what steps he is taking to monitor the acidity of breeding pools at one time or presently used by the natterjack toad; and whether he intends to take steps to ensure that this species is protected from *(a)* collecting, *(b)* persecution, *(c)* agricultural, forestry or other development of habitat, and *(d)* acid deposition.

Mr. Waldegrave: Breeding pools of the natterjack toad are regularly monitored by the voluntary organisations and other researchers and the results are collated by the Nature Conservancy Council.

The species and its places of shelter already have special protection under section 9 of the Wildlife and Countryside Act 1981. Where acidity problems are identified the Nature Conservancy Council, in collaboration with other organisations, will take appropriate steps to protect the toad population affected, such as by transferring them to a different site.

Dipper Bird

Mr. Chris Smith asked the Secretary of State for the Environment what information he has as to the effect of increased acidity of its habitat on the dipper bird.

Mr. Waldegrave: I am advised by the Nature Conservancy Council that recent studies in central Wales and south west Scotland have revealed that the Dipper has declined over the last 20 years on streams and rivers which are relatively high in acidic levels.

Councillors (Overseas Visits)

Mr. Greenway asked the Secretary of State for the Environment what information is available to his Department about expenditure by local authorities on overseas visits by councillors.

Mr. Waldegrave: This information is not collected centrally.

Private Graves

Mr. Nicholas Baker asked the Secretary of State for the Environment if he will list the London boroughs which charge four times the fee for private graves to non-residents as are charged to residents; and if he will make a statement.

Mr. Waldegrave: The information requested is not available centrally. Since 1974, the Department has had no responsibility for the level of cemetery fees charged by burial authorities.

Mr. Peter Bruinvels asked the Secretary of State for the Environment how many council houses have been sold to date in Leicester under the right-to-buy legislation; and if he will make a statement.

Sir George Young: Three thousand five hundred and nine council dwellings were sold in Leicester between October 1980 and September 1984 under the right-to-buy legislation.

I hope many more tenants of the city council will take advantage of their right to buy, not least as a result of the wider opportunities provided by the Housing and Building Control Act 1984.

Leicester (Rate-Capping)

Mr. Peter Bruinvels asked the Secretary of State for the Environment what figures he collects as to the costs incurred by Leicester city council in its anti-rate-capping campaign; and if he will make a statement.

Mr. Waldegrave: None. But if Leicester city council were genuinely concerned about the provision of services and securing value for money, they would not be wasting their ratepayers' money on this sort of propaganda.

Concrete and Timber Framed Dwellings

Mr. Fatchett asked the Secretary of State for the Environment if he will list those types of pre-cast reinforced concrete and timber framed dwellings which have been subject to structural analysis at the request of his Department.

Mr. Gow: The Building Research Establishment has investigated the structural condition of the following types of prefabricated reinforced concrete dwelling designed before 1960:

Airey
Ayrshire
Blackburn-Orlit
Boot
Boswell
Butterley
Cornish Unit
Dorran
Dyke
Gregory
Hamish Cross
Lindsay
Minniel
Myton
Newland
Orlit
Parkinson
Reema Hollow Panel
Schindler-Hawkesley SGS
Stent
Stonecrete
Stour
Tarran
Teebeam
Underdown
Unitroy
Unity
Waller
Wates
Wessex
Whitson-Fairhurst
Winget
Woolaway

Last autumn the BRE was asked to put in hand a study of the systems used in the 140,000 dwellings built in large reinforced concrete panels in the 1960s and 1970s.

No study of any type of timber-framed house designed before 1960 has been commissioned, but the BRE has examined houses of the Spooner type in Leeds after a house of that type suffered wind damage to its brick cladding. In 1981-83, the BRE studied the use of timber-framed methods in new housing as part of its continuing work on changes in design and construction methods. A number of points arising from the study are the subject of further work by the BRE.

Oil and Gas Operations (Planning Control)

Mrs. Virginia Bottomley asked the Secretary of State for the Environment when he intends that his Department's circular to local authorities containing guidelines for planning control over oil and gas operations will be published.

Mr. Macfarlane: I refer my hon. Friend to the answer I gave yesterday to the hon. Member for Isle of Wight (Mr. Ross) at column *99*.

Regional Industrial Assistance

Mr. Ron Davies asked the Secretary of State for the Environment if he will give the total expenditure by local

authorities for each region in England on regional industrial assistance for each year since 1979 in cash and real terms using 1984 as the base year.

Mr. Waldegrave [*pursuant to his answer*, 15 January 1985, c. 99]: Based on returns provided to the Department by local authorities, it is estimated that capital expenditure by local authorities by region in England, in respect of advances and grants to industrial and commercial enterprises, and in respect of industrial estates for the financial years 1979-80 to 1983-84 was as follows:

£ million

	1979-80		*1980-81*		*1981-82*		*1982-83*		*1983-84*	
	Cash terms	*Cost terms**	*Cash terms*	*Cost terms**	*Cash terms*	*Cost terms**	*Cash terms*	*Cost terms**	*Cash terms*	*Cost terms**
South East Region	14·2	21·5	23·2	29·7	15·2	17·8	26·2	28·6	20·7	21·7
South West Region	3·4	5·2	6·0	7·7	3·2	3·8	7·8	8·5	5·2	5·5
Eastern Region	2·4	3·7	2·7	3·4	1·4	1·7	3·5	3·8	3·8	4·0
West Midland Region	6·3	9·7	10·8	13·9	9·4	11·0	17·6	19·2	9·5	10·0
East Midland Region	6·9	10·5	9·1	11·6	6·8	7·9	12·4	13·6	9·6	10·0
North Western Region	11·3	17·2	14·8	19·0	13·1	15·2	20·0	21·8	17·8	18·6
Yorkshire and Humberside Region	3·6	5·5	10·9	14·0	8·3	9·7	19·1	20·9	15·8	16·6
Northern Region	7·7	11·7	12·3	15·7	9·9	11·4	18·0	19·7	19·5	20·4
TOTAL ALL ENGLISH REGIONS	55·9	85·1	89·8	115·2	67·3	78·5	124·4	136·1	101·9	106·8

* i.e. deflated by the change in the GDP deflator to 1984-85 cost terms.

Local industries benefit from expenditure by local authorities under a wide range of other expenditure headings. However it is not possible to identify these benefits separately.

Conservation

Mr. Soames asked the Secretary of State for the Environment what are the main policy objectives of his Department in the field of conservation for 1985.

Mr. Waldegrave: In 1985 we shall be aiming to build on the achievements of the last 12 months, and our major objectives in the conservation sphere will be:

— to ensure that, in the light of the overall resources available, the statutory conservation agencies are given the resources necessary to fulfil their statutory responsibilities;
— to ensure that my Department's statutory functions continue to be exercised in the best interests of the heritage, in consultation and co-operation with my noble Friend the Minister for the Arts;
— to consider the Select Committee on the Environment's report on the operation of part II of the Wildlife and Countryside Act and, in consultation with others, issue the Government's response;
— to respond to the Countryside Commission's report "A Better Future for the Uplands";
— to continue to encourage and support the work of the national park authorities;
— subject to the outcome of consultations currently in progress, to extend the application of section 41 of the Wildlife and Countryside Act to the Broads;
— to participate further in the work of the Common Land Forum, aimed at producing agreed proposals for further common land legislation;
— to maintain the high level of inspections of keepers of captive birds in a continuing attempt to eliminate malpractice, and increase the level of scrutiny of sellers of dead birds;
— to continue to provide maximum assistance to enforcement agencies responsible for species conservation at home and abroad;
— to continue to work closely with voluntary and professional bodies concerned with the conservation of the countryside, the natural heritage and the built environment;
— to notify the Bonn convention on the Conservation of Migratory Species of Wild Fauna;
— to improve both the quality and efficiency of my Department's endangered species work by computerising the licensing systems during 1985, and to implement the proposals to restrict illegal trade in ivory which we hope will be agreed, with UK support, at the CITES conference in the spring. A specialist publicity leaflet on endangered plants will also be published, as a UK contribution to the World Wildlife Fund's international campaign on plants.
— to ensure that the arrangements made for the management and disposal of household, commercial, industrial and other non-radioactive wastes are adequate and meet acceptable safety, health and amenity standards. To promote efficiency and economy in waste management services.
— the Government will continue to ensure that all necessary steps are taken for the safe meeting of the radioactive wastes that already exist and those that may be created in the future.
— water quality will continue to be maintained and improved.

Mr. Soames asked the Secretary of State for the Environment what were the main achievements of his Department in the field of conservation in 1984.

Mr. Waldegrave: During 1984 the Government have taken a number of important steps to underline its commitment to and to further the conservation of the natural and the built environment. In particular, we have:

— set up the Historic Buildings and Monuments Commission to secure the preservation of historic buildings and ancient monuments in England and to promote public knowledge and enjoyment of the heritage;
— set up the Chatham Historic Dockyard Trust Ltd. with the duty to preserve, promote and manage the historic dockyard as a "living dockyard";
— begun the second phase of the accelerated re-survey to identify buildings of special architectural or historical interest, and during the year, the number of listed buildings rose from 309,000 to 338,000;
— secured the future of Calke Abbey by its acceptance in lieu of tax and its allocation to the National Trust with the benefit of support from the National Heritage Memorial Fund;
— substantially increased the number of inspections of premises of breeders of birds of prey to some 1,300 in 1984. This intensification of effort was aimed at minimising the opportunities for feeding into the registration system illegally taken eggs and young;
— assisted national enforcement agencies in some 204 cases in enforcing the birds protection provisions of the Wildlife and Countryside Act;
— Ratified (i) the Paris protocol to the Ramsar Convention on Wetlands of International Importance especially as waterfowl habitats, and (ii) the UNESCO convention for the Protection of the World Cultural and Natural Heritage;
— announced our intention to provide substantial additional

funds for the statutory conservation agencies in the forthcoming financial year;
— obtained the support of the EC Council of Ministers to request the Commission to report on the relationship between policies for agriculture and for the environment;
— supported the Ministry of Agriculture, Fisheries and Food in the Government's initiative to insert a new title in the EC regulation on agricultural structures currently under consideration;
— announced support in principle for a statutory Broads Authority;
— authorised the Countryside Commission to pay an enhanced level of grant-aid for management agreemens to conserve the traditional landscape of the Broads;
— continued to support and initiate relevant research projects (for example into the extent of landscape change);
— continued to work closely with the Nature Conservancy Council in designating sites of special scientific interest. To date some 1,381 sites have been designated, and over 160 management agreements to safeguard some 68,000 hectares of land have been made. A further 600 agreements currently in the pipeline;
— made nature conservation orders to secure the protection of four nationally important conservation sites which were under threat;
— designated three areas of special protection of birds under the Wildlife and Countryside Act;
— continued to give strict protection to endangered wildlife, particularly through the new EC regulation implementing the convention on International Trade in Endangered Species (CITES) and by taking a leading part in preparing proposals to curb illegal international trade in ivory, which will be considered at the next CITES conference in 1985;
— 1984 saw the first year's full operation of the Department's Hazardous Wastes Inspectorate, whose aim is to assist local authorities and other bodies to obtain high standards of waste management. Substantial progress has been made in reviewing national legislation and preparing further guidance. In the international field agreement was obtained for an EC directive and also OECD guidelines on transfrontier movement of hazardous wastes;
— The Government announced in December a programme of further major reductions in radioactive discharges from BNFL's nuclear reprocessing plant at Sellafield. In April the Government, in conjunction with the TUC, set up an independent review into the disposal of radioactive waste in the north east Atlantic. The review's report was published in December and the Government have accepted all its recommendations;
— In 1984 water quality has been maintained and — as resources permit — improved. From the end of this month all the main features of the Control of Pollution Act 1974 part II will be in place. These include public involvement in decisions on discharge consents, and the extension of control to all inland, underground, estuarial and coastal waters.

NORTHERN IRELAND

Derry

Mr. Hume asked the Secretary of State for Northern Ireland what is the population and acreage of *(a)* the city of Londonderry and *(b)* the district of Derry.

Mr. Hurd: Information on *(a)* is not available since, following local government reorganisation in 1973, urban areas are not statutorily defined. The population of the district, estimated at 30 June 1983, is 96,100. The district comprises 38,250 hectares.

Mr. Hume asked the Secretary of State for Northern Ireland if he has been notified of Derry city council's objection to the revision of the local government electoral boundaries in Derry.

Mr. Hurd: Yes.

Mr. Hume asked the Secretary of State for Northern Ireland if he will make a statement detailing his response to the objection by Derry city council to the revised electoral boundaries for Derry.

Mr. Hurd: The report and final recommendations of the District Electoral Areas Commissioner were laid before Parliament on 5 December. No objection was raised to them in Parliament at that time. The recommendations were subsequently incorporated, without modification, in the schedule to the draft District Electoral Areas (Northern Ireland) Order 1985, which was laid before Parliament on 19 December 1984, and which is subject to the affirmative resolution procedure.

I am satisfied that the commissioner provided adequate opportunity for representations on his provisional recommendations to be made at public hearings before himself and his assistant commissioners prior to completing his report and making his final recommendations. Having studied the commissioner's recommendations with care, I am satisfied that it would not have been right to make any modifications to them.

SCOTLAND

Dumfries Bypass

15. **Sir Hector Monro** asked the Secretary of State for Scotland what form of consultations he is having with Dumfries and Galloway regional council over the proposed Dumfries bypass; and when he hopes to announce his decision on the preferred route.

Mr. Younger: My officials met members of the regional council on 10 October to discuss possible lines for the bypass. Following this meeting, two lines have been selected for more detailed study and consulting engineers have been appointed to carry out hydrological and ground investigations on the river crossings for both routes. This work is expected to be completed during 1985 and its results, together with other relevant information including views expressed by the regional council, will be taken into account in my decision on the preferred route.

Glengarnock Steel Works

17. **Mr. McKelvey** asked the Secretary of State for Scotland if he will initiate a study into the socio-economic effects on the Garnock valley if the threatened closure of Glengarnock steel works were to be implemented.

Mr. Allan Stewart: Following the ending of steelmaking at Glengarnock a working party under Scottish Office chairmanship examined the needs of the area. As a result a task force led by the Scottish Development Agency was set up, and has put £19 million into the economic regeneration of the Garnock valley. The SDA continues to support the Garnock valley development executive. A further study would not serve any useful purpose.

School Education

18. **Mr. O'Neil** asked the Secretary of State for Scotland when he will next meet representatives of Scottish teachers to discuss Scottish school education.

Mr. Allan Stewart: At present my right hon. Friend has no meetings arranged with representatives of Scottish teachers, but he is always prepared to consider requests for meetings on matters of mutual concern.

Woodlands

19. **Mr. Hardy** asked the Secretary of State for Scotland what is his estimate of the area of old natural and semi-natural broadleaved woodland which has been lost in the United Kingdom during the last 20 years.

Mr. John MacKay: I cannot give any precise figure, but I understand that it has been estimated that between 30 and 50 per cent. of the ancient semi-natural broadleaved woodland in this country has been lost over the last 40 years.

Inverness Airport

20. **Mr. Johnston** asked the Secretary of State for Scotland if he will estimate the effect on the locality of the sale of Inverness airport.

Mr. Ancram: The Government's policy is to ensure that Inverness airport should continue to meet the needs of the community it serves, as cost-effectively as possible.

Transport Policy

21. **Mr. David Steel** asked the Secretary of State for Scotland if he has any plans to issue a Green Paper on Scottish transport policy; and if he will make a statement.

Mr. Younger: I have no such plans.

Airports (Subsidies)

22. **Mr. Wallace** asked the Secretary of State for Scotland to what extent he expects the Civil Aviation Authority airports in the Highlands and Islands to be subsidised by Scottish Office funds in the present financial year.

Mr. Ancram: Subsidy of up to £3·45 million will be paid in the financial year 1984-85.

Economic Situation

23. **Mr. Ron Brown** asked the Secretary of State for Scotland if he will meet the Scottish Trades Union Congress general council to discuss the economic situation in Scotland.

Mr. Allan Stewart: My right hon. Friend has no plans to meet the General Council of the Scottish Trades Union Congress to discuss the economic situation in Scotland. On 25 January, however, he will meet a general delegation, led by the STUC, to discuss the coal dispute.

Crime Statistics

24. **Mr. David Marshall** asked the Secretary of State for Scotland what was the number of reported break-ins and attempted break-ins to all forms of property in Scotland for each of the years from 1979 to date; what the percentage increase is from 1979 to date; in how many instances no charges were ever made; and what percentage of the total this represents.

Mr. Ancram: Because of the nature of the information requested, I have arranged for it to be published in the *Official Report* in tabular form.

Teachers (Pay)

25. **Mr. Maxton** asked the Secretary of State for Scotland when he will meet the Education Institute of Scotland to discuss teachers' pay and conditions of service.

Mr. Younger: On 23 October 1984, at my request, I met representatives of the teachers' side of the Scottish joint negotiating committee for teaching staff in school education, when all the constitutent teachers' associations, including the Educational Institute of Scotland, were represented. No approach has been made to me about a separate meeting with the EIS. As I indicated earlier today, however, in response to the hon. Member for Dunfermline, West (Mr. Douglas), I understand that the SJNC(SE) have decided to seek a meeting with me.

29. **Mr. Henderson** asked the Secretary of State for Scotland if he will make a further statement on Scottish teachers' pay, conditions and terms of service.

16. **Mr. Ernie Ross** asked the Secretary of State for Scotland if he will make a statement on Scottish teachers' salaries and conditions.

Mr. Younger: I refer my hon. Friend and the hon. Member to the reply I gave earlier today to the hon. Member for Dunfermline, West (Mr. Douglas).

British Steel Corporation

26. **Mr. Corrie** asked the Secretary of State for Scotland when he next hopes to meet the chairman of the British Steel Corporation to discuss the corporation's activities in Scotland.

Mr. Younger: I met the chairman of the British Steel Corporation on 29 November, when we had a wide-ranging discussion of the corporation's activities in Scotland. I have no plans for a further meeting in the near future.

NHS (Privatisation)

27. **Mr. Willie W. Hamilton** asked the Secretary of State for Scotland what progress has been made in the privatisation of services within the National Health Service in Scotland; how many health boards are still refusing to seek private tenders; and if he will make a statement.

Mr. John MacKay: Most health boards are complying with the request to test the cost-effectiveness of their support services, in the first instance by putting out to tender the services at headquarters and in a number of hospitals or clinics. I have asked the four boards which have not so far done so to reconsider their position. All boards are due to report progress to me in April.

Airports

28. **Lord James Douglas-Hamilton** asked the Secretary of State for Scotland whether he will make an up-to-date statement on the future of the Highlands and Islands airports.

Mr. Ancram: The Civil Aviation Authority has received a number of offers and inquiries. The Government and the authority will now consider these.

Skillcentres

30. **Mr. Millan** asked the Secretary of State for Scotland if he will make a statement on skillcentres in Scotland.

Mr. Younger: The skillcentre training agency of the Manpower Services Commission has prepared a business plan for its long-term future. This entails a reshaping of the skillcentre network, including the closure of two skillcentres and three Skillcentre annexes in Scotland. The Commission will continue its consideration of the plan at its meeting on 24 January.

Renfrewshire (Economic Developments)

31. **Mr. Buchan** asked the Secretary of State for Scotland when he intends to meet the chairman of the Scottish Development Agency to discuss economic developments in Renfrewshire.

Mr. Allan Stewart: I am in regular contact with the chairman of the Scottish Development Agency on a wide range of economic and industrial issues. In addition, he and I met representatives of Renfrew district council and Strathclyde regional council last September to discuss a local economic initiative for the area. I am following closely the efforts to get this initiative started, and I hope the district council will change its mind and allow its officials to take part in preliminary talks with the agency and the regional council.

Housing Investment Programmes

Dr. Godman asked the Secretary of State for Scotland what has been the allocation for local authority housing investment programmes for each year since 1974; what has been the number of council houses built each year since that date; and what are the estimates for these two services for 1985.

Mr. Ancram: Gross allocations for investment in local authority housing since the financial year 1978-79, the first year in which such allocations were issued, are given in the table below. Figures giving the number of new dwellings completed by local authorities each year from 1974 to 1983 are published in "Scottish Housing Statistics 1983", a copy of which is available in the Library. It is estimated that local authorities completed 2,000 new dwellings in 1984; no estimate is available for 1985.

	£ million
1978-79	221·8
1979-80	236·2
1980-81	231·7
1981-82	250·2
1982-83	279·6
1983-84	310·6
1984-85	*232·8
1985-86	†267·0

* Estimate.
† Provisional.

Greenock Prison

Dr. Godman asked the Secretary of State for Scotland what are the categories of prisoners placed within Her Majesty's prison, Greenock.

Mr. Ancram: There are no prisoners at present in Her Majesty's prison, Greenock. Work has started on the final phase of a major redevelopment programme and the prison is due to reopen in 1986.

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the number and types of employees, other than prison officers, employed at Her Majesty's prison, Greenock.

Mr. Ancram: One part-time typist is employed there.

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the full complement of prison officers and senior staff at Her Majesty's prison, Greenock.

Mr. Ancram: Details of such staff at present in post are as follows:

Staff at post	*Number*
principal officer	1
principal clerk officer	1
principal works officer	1
senior officer	1
officer	5
works officer	2

Responsibility for the management of the establishment, which is at present being redeveloped, currently rests with the governor of Her Majesty's prison, Barlinnie.

Nautical Education

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether the membership of the working party on the review of nautical education in Scotland will be revealed; and whether any of them have specialist nautical experience drawn from industry.

Mr. Allan Stewart: The working party consisted of officials from COSLA and from my Department, including members of Her Majesty's inspectorate, whose task it is to advise on provision in this field. The working party's proposal that nautical education in Scotland should be rationalised was generally welcomed by the companies consulted.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland why the report of the working party on the review of nautical education contains no reference to the cost implications of the alternative future options; whether the working party has properly fulfilled the terms of its remit; and what were the terms of remit.

Mr. Allan Stewart: The working party has in my view discharged its remit, agreed between the Scottish Education Department and the Convention of Scottish Local Authorities, to review the provision of nautical education in Scotland. The working party was not asked to consider the cost implications of the options for rationalisation, but my right hon. Friend and I will take these into account in making our decision.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether he will extend the limited historical review of nautical education to include modern developments in the offshore industries, before reaching conclusions about the future provision for maritime education in Scotland.

Mr. Allan Stewart: The working party which has been considering the provision of nautical education in Scotland

took account not only of the recent substantial decline in demand for nautical education, but also of the capacity of Scottish centres to meet the needs of the future. My right hon. Friend and I will have in mind such needs, together with likely employer demand for maritime education in Scotland, in reaching decisions.

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what information he has as to the preferred alternative choices of students at Leith nautical college if the college is closed; and what proportion have indicated that they would not choose Glasgow college of nautical studies but go elsewhere in Britain.

Mr. Allan Stewart: My right hon. Friend and I have no proposal before us for the closure of Leith Nautical College. A working party which has reviewed nautical education in Scotland has recommended that certain courses be concentrated at Glasgow college of nautical studies. The position of existing students at LNC would of course be taken into account in the timing of any changes.

Woodland (Sales)

Mr. Cartwright asked the Secretary of State for Scotland how many acres of woodland have been sold by the Forestry Commission during each of the past five financial years; what have been the annual receipts from such sales; and what are the estimated total sales and receipts for 1984-85 and 1985-86.

Mr. John Mackay [*pursuant to his reply*, 21 December 1984, c. *394*]: The information is as follows:—

Year ended 31 March	*Woodland sold (hectares)*	*Receipts (£000)*
1980	400	365
1981	415	553
1982	1,821	1,700
1983	5,490	7,200
1984	15,363	14,900
The estimated figures for 1984-85 and 1985-86 are:		
1985	15,000	16,000
1986	10,000	10,000

SOCIAL SERVICES

National Insurance Fund

Mr. Frank Field asked the Secretary of State for Social Services why, when the Government Actuary recommended in paragraph 5.3 of House of Commons Paper No. 451 that the working balance of the national insurance fund should be about one fifth of a year's benefit expenditure, the report by the Government Actuary on the draft of the Social Security (Contributions, Re-Rating) No. 2 Order 1984 (Cmnd. 9386) is based on a working balance of 23 per cent., 25 per cent. and 27 per cent. for the respective years 1983-84, 1984-85 and 1985-86; and what proposals he has for expending the surplus of £1·5 billion on social security benefits in 1985-86.

Mr. Newton: In House of Commons Paper No. 451 of Session 1981-82 (July 1982) the Government Actuary indicated that, in the prevailing circumstances, about one-fifth of a year's benefit expenditure would be an adequate working balance. In his report on the draft Social Security Benefits Up-rating Order 1983 (Cmnd. 8969, July 1983), he reported that he had recommended to the Department a minimum target balance of one-sixth of the year's estimated benefit expenditure. The main aim, under the pay-as-you-go system of financing national insurance benefits, is to ensure that taking one year with another, the income of the national insurance fund is sufficient to cover its expected expenditure, and also to keep a prudent reserve to cover operating margins, fluctuations in income and expenditure, and a risk margin against unforeseen contingencies. It has to be recognised however that these decisions have also to be set in the context of wider fiscal policy.

The Government's Actuary's estimates of 23 per cent., 25 per cent. and 27 per cent. respectively for the Aprils of 1984, 1985 and 1986 do not depart from established standards. During the 10-year period from 1976 to 1986, for example, the proportion of annual benefit expenditure will have fluctuated between just over 20 per cent. (1983) and just over 40 per cent. (1978).

Neither the size of the balance in the national insurance fund, nor adjustments to it resulting from individual years' surpluses or deficits, have been regarded as relevant in taking decisions on benefit expenditure.

Cost Rent Scheme

Dr. Owen asked the Secretary of State for Social Services if he will estimate by how much the limits of the cost rent scheme for general practitioners were increased both nominally and in real terms in 1984; and whether he has any plans to raise the limits in 1985.

Mr. Kenneth Clarke: No increase took place in 1984. We last raised the cost limits on 15 August 1983.

Cost limits for the scheme are adjusted by reference to movements in the price index of public sector housing, which reflects tender price movements in England and Wales. Adjustments are made whenever the index forecasts a movement of 5 per cent. or more up or down from the figure obtaining when the limits were last adjusted. Increase or decrease in the cost limits in 1985 will depend on the extent of the movement in the index during that year.

Residential Homes

Mr. Dixon asked the Secretary of State for Social Services what were the numbers of persons being cared for in residential homes in each year since 1979 up to the latest figures available.

Mr. John Patten: Complete information in the form requested is no longer available centrally. The available information for the years 1979 to 1984 is given in the table. Further details are given in the Department's publications "Residential Accommodation for the Elderly and for Younger Physically Handicapped People" and "Home and Hostels for the Mentally Ill and Mentally Handicapped", copies of which are held in the Library.

Statutory and registered homes and hostels

	Homes for the Elderly and Disabled		*Homes for the Mentally Disordered*	
As at 31 March	*Number of places*	*Number of residents*	*Number of places*	*Number of residents*
1979	179,502	165,095	20,761	17,868
1980	184,824	169,012	21,674	18,765

As at 31 March	Homes for the Elderly and Disabled: Number of places	Homes for the Elderly and Disabled: Number of residents	Homes for the Mentally Disordered: Number of places	Homes for the Mentally Disordered: Number of residents
1981	191,055	173,959	*	na
1982	196,582	178,295	*	na
1983	205,286	185,547	25,321	na
1984†	217,744	193,996	26,996	na

na No longer available.
* Data available but not reliable.
† Provisional data.

Mr. Dixon asked the Secretary of State for Social Services (1) how much money has been spent by his Department on residential homes in each year since 1979 up to the latest figures available *(a)* nationally, *(b)* in the Tyne and Wear county area and *(c)* in the south Tyneside district area;

(2) what is the total amount of money spent by his Department on personal social services in each year since 1979 up to the latest available figures.

Mr. Patten: Local authorities are the principal providers of personal social services. Apart from limited sums, spent mainly on social work training, amounting to around £10 million in 1983-84, the Department does not undertake spending itself. Central Government support for local authority spending is principally through the block grant which is not hypothecated to individual services.

Net current expenditure by local authorities on the personal social services is as follows:

£ million cash

	England: All personal Social Services	England: Residential Homes	Tyne and Wear Residential Homes	South Tyneside Residential Homes
1978-79	1,062	487	1·9	14·6
1979-80	1,305	605	2·3	18·8
1980-81	1,616	750	3·0	23·0
1981-82	1,792	814	3·4	24·1
1982-83	1,967	871	3·5	25·0
1983-84	2,142	915	3·7	26·7

Notes:
1. 1983-84 England figures are provisional.
2. The main client groups covered by the residential homes figures are the elderly, children, younger physically disabled, mentally handicapped and mentally ill.

Home Helps

Mr. Dixon asked the Secretary of State for Social Services what are the current figures for the number of persons receiving home help services; and what information he has as to *(a)* what age groups they are in and *(b)* their residential status.

Mr. John Patten: The information requested is not available centrally. Figures showing total number of cases attended during the year are published annually by the Chartered Institute of Public Finance and Accountancy in their report "Personal Social Services Statistics". Their latest report, although not entirely complete in coverage, shows that in 1982-83 home helps in England attended a total of 684, 368 clients. In 1979, when equivalent figures were last collected by the Department, the following was the break-down of clients by age groups:

	per cent.
persons aged under 65	12
persons aged 65 to 74	29
persons aged 75 and over	59

Almost all home help services are provided to those living at home but no information is available centrally about the proportions of clients who own or rent their own accommodation or live in council owned housing.

Vibration White Finger

Mr. Dixon asked the Secretary of State for Social Services what action is being taken to implement the recommendations of the Industrial Injuries Advisory Council in Cmnd. 8350 "Vibration White Finger" that vibration white finger should be prescribed as an industrial disease.

Mr. Newton: Regulations to give effect to the Council's recommendations are being drafted. We hope to implement them in April.

National Insurance Contributions

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what would be the total value of the national insurance contributions of a male and of a female employee retiring in April 1984 after a career at the national average wage, and of their employer, assuming a combined augment at compound interest of 2½ per cent. plus compensation for changes in the retail price index calculated at annual costs.

Mr. Whitney: The information requested is not readily available and could be obtained only at disproportionate cost.

Emigration

Mr. Gordon Brown asked the Secretary of State for Social Services how many people have emigrated from Britain in each year since 1979.

Mr. John Patten: Estimated annual totals for the United Kingdom, excluding any emigration to the Republic of Ireland, are:

	Emigrants (thousands)
1979	189
1980	229
1981	233
1982	239
1983	185

These figures are estimated from the international passenger survey, in which an emigrant is defined as a person who has lived in the United Kingdom for at least one year and intends to reside abroad for a year or more. The survey does not cover journeys to (or from) the Republic of Ireland. Further details are published in *Population Trends* and in the "OPCS Monitor" series MN.

Pension Age (Reduction)

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he will estimate the cost of reducing the pension age for men to 60 years within one financial year; and if he will make a statement.

Mr. Whitney: I refer my hon. Friend to my reply to my hon. Friend the Member for Aldershot (Mr. Critchley) on 3 December 1984 at column 78.

Retirement

Mr. Peter Bruinvels asked the Secretary of State for Social Services if he will estimate the number of men who defer retirement from 65 to 69 years of age.

Mr. Whitney: It is estimated that about 55,000 men in the 65-69 age band are currently deferring retirement.

Generic Drugs

Mr. Nicholas Winterton asked the Secretary of State for Social Services what percentage of generic drugs prescribed under the National Health Service under the last year for which figures are available were manufactured in the United Kingdom.

Mr. Kenneth Clarke: The information requested is not available.

Limited List Prescribing

Mr. Nicholas Winterton asked the Secretary of State for Social Services what steps he proposes to take following the implementation of his proposals for a limited list of drugs to ensure that generic products which are imported into the United Kingdom meet with the same quality control requirements to which the United Kingdom industry is subject.

Mr. Kenneth Clarke: No special steps are required. For any medical product, including a generic product, to be marketed in the United Kingdom, the Licensing Authority has to be satisfied that the product is safe, efficacious and of good quality under the Medicines Act 1968. The licensing authority also has to be satisfied that the product has been manufactured to acceptable standards under United Kingdom (or European Community) licensing arrangements.

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will list in the *Official Report* all those preparations on his proposed limited list of drugs available under the National Health Service which are not currently available from the United Kingdom manufacturers.

Mr. Kenneth Clarke: The limited list is not yet finalised but we expect that most if not all of the products included will be available from United Kingdom manufacturers.

Mr. Michael Marshall asked the Secretary of State for Social Services (1) what further representations he has received about the deadline set for the consultation period regarding the provisional limited list of drugs available through National Health Service prescriptions and about subsequent opportunities for review of any list which is introduced;

(2) what opportunities for subsequent review will apply to the proposed limited list of drugs available through National Health Service prescription after 1 April 1985.

Mr. Kenneth Clarke: We have not specifically identified among the representations received any comments about the period allowed for consultation. The evaluation of new products after 1 April will be fully considered during our consultation with the medical and pharmaceutical professions and the drug industry.

Health Authorities (Managers)

Mr. Dobson asked the Secretary of State for Social Services whether he has refused to authorise the appointment of any regional or district general managers.

Mr. Kenneth Clarke: General manager appointments are made by the health authority concerned. But, as part of my right hon. Friend's broad responsibility to oversee the successful establishment of the general management function in the National Health Service, Ministers confirm that he is content before an authority proceeds to final decision. Our guidance about the implementation of Griffiths has made the position quite clear to authorities.

NHS (Waiting Lists)

Mr. Dixon asked the Secretary of State for Social Services what are the latest figures for the number of patients on National Health Service waiting lists in the areas covered by *(a)* the Northumbria regional health authority and *(b)* the South Tyneside area health authority; and how these figures compare with the figures for each year since 1979-80.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

NHS (Achievements and Objectives)

Mr. Soames asked the Secretary of State for Social Services (1) if he will list the principal achievements of the National Health Service in 1984;

(2) what are his principal objectives for the National Health Service in 1985.

Mr. Kenneth Clarke: I shall let my hon. Friend have a reply as soon as possible.

Cervical Cancer

Mr. Dobson asked the Secretary of State for Social Services how many women in England and Wales have died of cancer of the cervix in the age groups *(a)* 20 to 24 years, *(b)* 25 to 29 years, *(c)* 30 to 34 years, *(d)* 35 to 39 years, *(e)* 40 to 44 years, *(f)* 45 to 49 years, *(g)* 50 to 54 years, *(h)* 55 to 59 years, *(i)* 60 to 64 years, *(j)* 65 to 69 years, and *(k)* 70 years and over; and what was the total number in each year since 1978.

Mr. Kenneth Clarke: The available information is shown in the table:

Numbers of female deaths assigned to cancer of the cervix uteri, 1978 to 1983 (ICD code 180)

England and Wales

Year	All ages	Age at death (years) 20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 and over
1978	2,153	1	34	59	81	82	125	233	306	266	302	664
1979	2,087	6	27	56	79	88	137	177	300	278	281	658
1980	2,068	10	30	74	82	79	116	189	278	267	304	639
1981	2,017	7	30	81	89	105	103	167	251	257	277	650
1982	1,932	7	25	77	89	113	125	132	197	268	266	632
1983	1,959	3	43	78	92	104	127	155	184	265	214	694

Mr. Dobson asked the Secretary of State for Social Services how many smears and how many positive smears for cervical cancer were taken in England and Wales in the age groups *(a)* 15 to 19 years, *(b)* 20 to 24 years, *(c)* 25 to 29 years, *(d)* 30 to 34 years, *(e)* 35 to 39 years, *(f)* 40 to 44 years, *(g)* 45 to 49 years, *(h)* 50 to 54 years, *(i)* 55 to 59 years, *(j)* 60 to 64 years, *(k)* 65 to 69 years and *(l)* 70 years and over; and what was the total in each year since 1974.

Mr. Kenneth Clarke: Information is not available in the exact form requested. The available information is given in the tables.

Number of cervical smear tests diagnosed as positive in England and Wales, 1974-1983

Year	All ages	Age Under 25	25-29	30-34	35 and over
1974	11,556	1,187	2,032	1,988	6,349
1975	11,911	1,217	2,143	2,079	6,472
1976	13,336	1,365	2,444	2,625	6,902
1977	14,952	1,517	2,740	2,997	7,698
1978	16,260	1,709	3,217	3,555	7,779
1979	17,333	1,645	3,385	3,934	8,369
1980	19,923	2,117	4,027	4,597	9,182
1981	21,340	2,098	4,470	5,068	9,704
1982	22,370	2,382	4,729	5,151	10,108
1983	24,836	2,477	5,155	5,703	11,501

Number of cervical smear tests taken in England and Wales, 1974-83

Thousands

Year	All ages	Age* Under 25	25-29	30-34	35 and over
1974	2,476	560	490	354	1,072
1975	2,498	592	482	380	1,044
1976	2,568	566	476	429	1,097
1977	2,545	616	458	385	1,086
1978	2,587	600	441	383	1,163
1979	2,749	632	467	406	1,244
1980	2,928	701	469	404	1,354
1981	2,999	717	495	471	1,316
1982	2,951	*	*	*	*
1983	3,200	*	*	*	*

* The age breakdown for the years 1974-1981 was estimated from a sample of records at the National Health Service Central Register at Southport. Data from this source is no longer available.

Mr. Dobson asked the Secretary of State for Social Services why the Government did not accept the recommendations of the Committee on Gynaecological Cytology that the cervical cancer national recall scheme should be replaced by local call and recall schemes.

Mr. Kenneth Clarke: The Government accepted the recommendation made by the committee on gynaecological cytology, in its "Age and Frequency Report", that the national recall scheme should be replaced by local schemes, and guidance was issued to the National Health Service on the organisation of local recall schemes in 1981. The benefit of call schemes has not yet been proven and we are currently funding a research study to evaluate a call versus a recall scheme.

Ambulance Service

Mr. Boyes asked the Secretary of State for Social Services how many taxis, and at what total cost, were used by the ambulance service of the Northern regional health authority each year from 1979 to 1984; and from which companies the taxis were hired in each year.

Mr. John Patten: This sort of detailed information is not collected centrally. The hon. Member may wish to contact the Northern regional health authority.

Mr. Boyes asked the Secretary of State for Social Services how many *(a)* ambulance, *(b)* ambulance depots and *(c)* ambulance drivers were employed by the Northern regional health authority for each year between 1979 and 1984.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Health Authorities (Contracts)

Mr. Dobson asked the Secretary of State for Social Services whether he will advise regional and district health authorities not to place contracts with companies who have not filed their accounts by the end of the previous financial year.

Mr. Kenneth Clarke: No. It is for authorities to decide on the suitability of companies before placing contracts with them.

Health Authorities (Managers)

Mr. Dobson asked the Secretary of State for Social Services whether health authorities consult the relevant officers before appointing general managers.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 January 1985, c. *511*]: No, as officers are frequently candidates for appointment themselves and it is the authority itself and not its officers who must make the appointment.

Mrs. Renée Short asked the Secretary of State for Social Services if he will list in the *Official Report* the names and former occupations of all general manager appointments made to date as a result of the Griffiths proposals.

Mr. Kenneth Clarke [*pursuant to his reply*, 14 January 1985, c. *66*]: The table shows the sources of

recruitment of general managers appointed at regional and district levels. No appointments have yet been made at unit level.

Occupation before appointment	*Region*	*District*
NHS administrator	9	61
NHS treasurer	1	3
NHS doctor	1	5
NHS nursing officer	1	—
Total NHS officers	12	69
Non-NHS employment	—	7
Total appointments to date	12	76
Outstanding appointments	2	116
Eventual total	14	192

The figures for regional appointments differ from those I gave in my reply to the hon. Member for Denton and Reddish (Mr. Bennett) on 30 October 1984 at columns *953-54* in that since then two more appointments of administrators have been made and one treasurer has withdrawn from his appointment.

Specific information on individual appointees and their former occupations could be assembled only at disproportionate cost.

ENERGY

Coal Industry Dispute

Mr. Peter Bruinvels asked the Secretary of State for Energy how many miners have returned to work since the coal mining dispute began; if he will give the monthly figures of those miners available for work; what is their percentage of the total work force; how much coal is being produced per man; and if he will make a statement.

Mr. David Hunt: I understand from the National Coal Board that since the dispute began there have been 28,000 new faces reporting for work. There are now around 74,000 NCB employees in grades represented by the NUM, and around 107,000 workers in the industry as a whole, not on strike. There are currently 71 pits producing coal.

Northumberland and Durham Coalfields

Mr. Dixon asked the Secretary of State for Energy if he will publish the latest figures of the amount of investments in the Northumberland and Durham coalfields, each year from 1979-80, with the projected figures for the next five years.

Mr. David Hunt: Mining investment in the North East area of the NCB was:

	£ million
1979-80	46
1980-81	51
1981-82	45
1982-83	39
1983-84	39

Source: NCB Report and Accounts.

Projected figures for the coming five years are not available.

Written Answers to Questions

Thursday 17 January 1984

HOME DEPARTMENT

Miss Hilda Murrell

Mr. Dalyell asked the Secretary of State for the Home Department if he will publish in the *Official Report* his letter of 14 January to the hon. Member for Linlithgow on the late Miss Hilda Murrell.

Mr. Giles Shaw: Yes. The text is as follows:

"When I spoke to you on 28th December about my letter rejecting your claim of British Intellingence participation in the events surrounding the death of Miss Hilda Murrell, you said that you would also wish me to respond to the detailed questions about the case with which you opened your speech to the House on 19th December. I have now also received your letters of 24th and 29th December. It may be most straightforward if I deal with the questions in the order in which you raised them.

The police confirmed at Miss Murrell's inquest that there was evidence within the house of a thorough and systematic search and a struggle between Miss Murrell and her assailant, which might well have served to add to the disorder. However, I understand from the Chief Constable of West Mercia Constabulary that the terms "ransacked" is an exaggeration of the true extent of the disorder and has not been used by them in describing the break-in at Miss Murrell's home to the press.

The police have confirmed that the telephone at Miss Murrell's home in Shrewsbury had been disconnected. At first they believed that this had been done by means of removing the connectors at the junction box but at no time, I understand, have the police used the term "sophisticated" to describe the way in which it was done. In the absence of any further evidential confirmation that this was the means of disconnection and after subsequent checks of the junction box, the police now believe that the connecting wires were simply snatched out but that, possibly because the connecting screws were loose, this was the point at which the wires became detached. I further understand that Miss Murrell had a telephone extension in her bedroom, the effect of which to anyone telephoning her would be as you described in the House. As to the telephone in Miss Murrell's cottage at Llanymynech, the fault was discovered by one of Miss Murrell's neighbours in Shrewsbury who, in telephoning Llanymynech in an attempt to trace her, was unable to get through and reported the fault to the telephone exchange. Subsequent checks by telephone engineers revealed that it was out of order because of an electrical fault due to storm damage: no human interference in its operation was evident.

At the inquest the police presented the Home Office Pathologist's report on the wounds which had been inflicted on Miss Murrell. These confirmed that there was no physical evidence of an actual sexual assault upon her; there were however signs in her house of some attempted sexual activity towards her. Even if the unnecessary distress to the family were not a factor, the Chief Constable is unable for properly operational reasons to disclose details of what these signs are: you will recognise that they could prove to be crucial evidence in any future criminal proceedings.

As I said in the House, Miss Murrell's car was first reported to the police by a local farmer on the afternoon of Wednesday, 21st March, as having been abandoned at Hunkington in the ditch of the road running adjacent to the copse where her body was subsequently found. Two officers investigated the report within an hour but, because there were no apparent suspicious circumstances, only superficial damage to the car and no apparent danger or obstruction to the public from the car, took no further direct action. They did, however, check the registration number of the car immediately and obtained the correct name and address of the keeper (Miss Murrell); the Chief Constable informs me that claims that the wrong registration number was checked are factually incorrect: no such error occurred and no comment to that effect was made on Friday, 23rd March by the Shrewsbury police.

On Friday, 23rd March the farmer telephoned the police again to inform them that the car was still in the ditch. An attempt by the police to telephone Miss Murrell met with no reply. The Chief Constable informs me that, having obtained no reply to his telephone call the police officer then went to visit Miss Murrells house: he arrived at 7.00 pm., found the door unlocked and entered the house where a light was on; he saw nothing untoward however (which confirms the police's point about subsequent misuse of the word "ransacked"), assumed that Miss Murrell had left the house briefly and therefore had no reason to make a further search. In leaving the house he requested that further attempts be made to contact Miss Murrell: I now understand these were made by telephone and not by visit as I reported in the debate. I apologise for this error. As I described in the 3rd paragraph the fact that the telephone had been disconnected would not be apparent to an outside caller.

A further visit was made by another police officer at about 7 am on Saturday, 24th March who, making a quick search of the house, found it in the same state as I have described above and the door still unlocked. He returned at about 8.15 am to find the same scene and locked the door; he made enquiries of neighbours and relatives as to where she might be. Miss Murrell's gardener and a neighbour arrived at about 9 am and were able to confirm that a burglary appeared to have taken place. An intensification of police activity had already begun with the result, as you know, that a police officer and the gamekeeper's wife, searching the area near to where the car had been abandoned, found the body in the copse. This police officer noted the time of discovery of Miss Murrell's body as 10.25 am: the police have no record of, nor any reason to believe, that Commander Green was subsequently told different times for the discovery of her body.

The Chief Constable informs me that there is similarly no truth in the "New Statesman" article's claim that the police forced an entry into Miss Murrell's home on the morning of Saturday, 24th March: I have already explained that the police officer who visited her house on Saturday morning found the door unlocked and therefore forcible entry was not required. Indeed it was he who secured the door. I have already explained in my letter of 28th December that the West Mercia Special Branch were consulted by their colleagues in the early stages of the investigation; and I explained the reasons why that was so. To avoid any misunderstanding, I should add that although that ended the involvement of the force's Special Branch in the case, experienced detective officers from Special Branch were subsequently used, not in any respect in a Special Branch role, to assist in routine work connected with this major murder enquiry, which placed a very heavy burden on the detective manpower of a relatively small force such as West Mercia.

Turning to the availability to Miss Murrell's family of the post-mortem report, the release of this on formal application is a matter entirely within the coroner's discretion and not one in which I would intervene. As you say, they would have been entitled to have an independent post-mortem examination: a matter on which their legal adviser would have been expected to inform them. One of the injuries listed in the Home Office Pathologist's report to the coroner was a severe bruise to the right cheek and this may be the mark of a blow below the eye to which Commander Green was referring. The determination of cause of death is however a matter for the coroner and not for a Home Office Minister to determine; as I said in the House, it is recorded on the inquisition as hypothermia.

To put the record straight about the subsequent autopsy and the release of Miss Murrell's body for burial, I have necessarily to touch on somewhat distressing detail. In view of the deteriorating condition of the body, which was stored under refrigeration which, while it retards, does not stop deterioration, a second autopsy was carried out in August by an independent pathologist (who is also on the Home Office list) at the request of the coroner on the advice of the Director of Public Prosecutions, before the body was released by the coroner for disposal. It was carried out for the benefit of the defence of any person who, not yet in custody, may be charged with an offence in connection with the death. It was established at the inquest that the results of the two examinations were entirely consistent, the details of the second were not therefore necessary for the conduct of the inquest. In order not to prejudice any future criminal

proceedings, neither post-mortem report was formally disclosed. You will have seen the letter on this point to the "Times" on 10 January from the Pathologist who conducted the first post-mortem.

In dealing with bodies in a deteriorated condition undertakers provide a leak proof container, hence the zinc lined coffin. In the United Kingdom bodies are stored in whatever facilities are available in a particular mortuary, in this case refrigeration but not a deep freeze. The release of a body for disposal is again a matter entirely within the coroner's discretion and I cannot comment on that. Arrangements for disposal subsequent to the release of the body are matters within the control of the family, in consultation with the undertakers whom they selected to arrange Miss Murrell's cremation.

You referred also in your speech to the evidence of Mr. Scott who did not see Miss Murrell's body when he walked on Thursday, 22nd March in the copse where it was subsequently found. This claim seems to me to be one incapable of substantiation either way: while Mr. Scott may know the area extremely well, the pathologist's evidence suggests that she died on Wednesday 21st March in the position in which she was found and the police consider that the fact that Miss Murrell was left in a slight hollow, dressed in clothing of a colour which merged in with that of the undergrowth, could well explain why her body was not noted either by Mr. Scott or by the other witness who, you say, has now come forward about this.

You have yourself dismissed the connection between her death and Miss Murrell's views on nuclear power. However, you referred in the House to her telephone conversation with Mr. and Mrs. Morgan Grenville. They have been interviewed by the police, as have other people with whom Miss Murrell might have been expected to speak on this subject but none said that they had had a similar conversation with her. In the circumstances, the police are unable to take this further. As to your general comments that the police were responsible to the case in a way which was both incompetent and out of character, these are purely subjective assessments and it would be inappropriate for me to comment on them.

I hope that having given you this extremely detailed reply to your other questions you will agree that this discharges the undertaking I gave you in the debate. I trust that you will discharge your obligations as a citizen by giving the West Mercia officers your fullest assistance when you meet them tomorrow."

Mr. Dalyell asked the Secretary of State for the Home Department, pursuant to the Minister of State's statement on 19 December 1984, *Official Report*, column 470, if he will call for a report from the chief constable of West Mercia police as to which day reference was made to establish on the police national computer the ownership of the car, registration number LNT 917W; and what action was taken to try to seek the owner.

Mr. Giles Shaw: The car in question was that belonging to Miss Hilda Murrell and the information requested was contained in my letter of 14 January to the hon. Member, the text of which I have published in answer to his previous question.

Commissioner of Police of the Metropolis (Report)

Mr. Wheeler asked the Secretary of State for the Home Department if he will publish the report of the Commissioner of Police of the Metropolis on his proposed plans and priorities for the coming year; and if he will make a statement.

Mr. Brittan: I am placing copies of the Commissioner's recent report to me in the Library of the House and I have sent a copy to every right hon. and hon. Member for a constituency in the Metropolitan police district. I hope to meet London Members soon to discuss the Commissioner's proposals and that it will be possible to find time to give the House an opportunity to debate the report before Easter.

I have studied the Commissioner's report carefully and have discussed its proposals fully with him. 1984 was a year of consolidation during which steady progress was made by the force in developing and further refining the strategy which I agreed a year ago. I remain convinced, as does the Commissioner, that a strategy which continues to focus on the more effective use of manpower, on clearer objectives against crime, and on public co-operation, will best deliver the service that Londoners seek.

Last year's rise in crime is disappointing, but the Commissioner is able to report an encouraging improvement in the clear-up rate achieved against burglary and an increase in the number of offences of street robbery cleared up. The force is particularly to be congratulated on the continued development of neighbourhood watch. I believe that the successful launch of these schemes in a short time reflects a growing understanding amongst Londoners of their responsibility to co-operate with the police in preventing crime. The report also shows evidence of a continuing concern to achieve more effective use of expensive manpower and other resources, and to ensure that officers at all levels are aware of their personal responsibility to secure value for money. I have stressed to the Commissioner that I shall expect to see an increasingly sharp focus on sound financial planning and management.

The Commissioner's aim in 1985 will be further to improve the quality of service offered through:

(a) the reduction of criminal opportunity through crime prevention, public contact, involvement and co-operation;

(b) the enhanced detection of specific criminal offences namely robbery, burglary, drug abuse, racial attacks, vandalism and autocrime, in accordance with locally or centrally identified priorities;

(c) the effective, efficient and economic use of manpower and other resources; and

(d) the development of corporate and personal professionalism.

I particularly endorse the Commissioner's determination to deal effectively with drugs offences and racial attacks. I have emphasised to him that I regard it as of the highest importance that every effort is made to achieve results in these areas.

As I have already announced, a major development this year will be the restructuring of the force so that more of the available resources can be concentrated on operational policing at divisional level. The reorganisation will take two years to complete. As police authority I shall be consulted at every stage.

Royal Commissions

Mr. Eggar asked the Secretary of State for the Home Department how many royal warrants establishing royal commissions he and his predecessors have signed since 1945; and what were the subjects the commissioners investigated, the dates they were established, who chaired them, and the dates they reported.

Mr. Brittan: I shall write to my hon. Friend.

Prison Population

Mr. Alex Carlile asked the Secretary of State for the Home Department what was the male prison population on 25 December 1982, 1983 and 1984, respectively.

Mr. Mellor: The information for 25 December 1982, 1983 and 1984 is not recorded centrally. The total male population of prison department establishments on 31 December was as follows:

	Number
1982	40,903
1983	39,976

The figures for 31 December 1984 are still being collated. My noble Friend will write to the hon. and learned Member when they are available.

Pentonville Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the number of days in 1983 and 1984 that dental clinics were cancelled in Pentonville prison, the number of clinics cancelled, the number of prisoners involved and the reasons for the cancellations.

Mr. Mellor: Some of these matters are at issue in a civil legal action and it would not, therefore, be appropriate to comment at this time.

Drug Dependants

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the number of drug dependants in prison at the latest available date.

Mr. Mellor: The information is not available in the form requested.

Drink-Driving

Mr. Peter Bruinvels asked the Secretary of State for the Home Department if he will introduce measures which oblige magistrates to impose more stringent sentences for drink-driving offences.

Mr. Mellor: Courts convicting defendants of such offences must disqualify them from driving for at least a year and endorse their licences unless their are special reasons, relating to the offence, for not doing so. They may in addition impose a fine of up to £2,000 or imprisonment for up to six months, or both; we are satisfied that this element of the penalty should, as with other offences, remain within the court's discretion.

Citizenship

Mr. Freeson asked the Secretary of State for the Home Department in what circumstances a stateless person, married to a British citizen, working and resident indefinitely abroad, may acquire British citizenship.

Mr. Waddington: I shall reply as soon as possible.

HMS Conqueror (Log Books)

Mr. Dalyell asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis about the progress of police inquiries into the disappearance of log books from HMS Conqueror.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that the inquiries which the Director of Public Prosecutions asked him to undertake are continuing.

Winson Green Prison

Mr. Rooker asked the Secretary of State for the Home Department how many persons have served prison sentences for non-payment of fines of less than £25 at Winson Green prison in the past three months.

Mr. Mellor: The information requested is not available centrally.

Mr. Rooker asked the Secretary of State for the Home Department how many persons have served sentences of less than one week at Winson Green prison, Birmingham, in the past three months.

Mr. Mellor: According to the provisional records held centrally, about 20 persons were initially received into Birmingham prison in the last three months of 1984 to serve sentences of less than one week.

Mr. Rooker asked the Secretary of State for the Home Department what is the annual cost to public funds of a prisoner at Winson Green prison, Birmingham; and how this changes for sentences of less than one week.

Mr. Mellor: The costs of holding different types of prisoner in penal establishments are not available; nor, at present, are the costs of individual establishments. During the financial year 1982-83, the latest year for which information is available, the average annual cost of keeping a person in a local prison or remand centre was £10,440.

Police (Medical and Dental Treatment)

Mr. Deakins asked the Secretary of State for the Home Department what is the total annual cost of reimbursing police officers the cost of National Health Service prescriptions and dental treatment.

Mr. Wareing asked the Secretary of State for the Home Department what has been the total cost in each of the last 10 years of providing free dental and medical treatment to police officers.

Mr. Giles Shaw: The information requested is not recorded centrally and could be obtained only at disproportionate cost.

Exercise Brave Defender

Mr. D. E. Thomas asked the Secretary of State for the Home Department what contribution his Department and the police will be making to Exercise Brave Defender.

Mr. Giles Shaw: The Department will not be participating in this exercise, which is a military home defence exercise to test the plans for the protection of vital installations in conventional war. The police are being consulted during its planning but it is too early to say whether, and if so to what extent, they will participate in the exercise itself.

SCOTLAND

Labour Statistics

Mr. Gordon Brown asked the Secretary of State for Scotland how many jobs he estimates have been created as a result of automatic regional development grants in each year since 1979.

Mr. Allan Stewart: It is not possible to make a meaningful estimate of jobs created as a result of regional development grants because before 29 November 1984 they were not linked to the creation of jobs. The Co-operative Agency and Industrial Development Act, which came into effect on 29 November 1984, introduced a new scheme of regional development grants which will provide more cost-effective regional incentives with greater emphasis on job creation and which will remove the previous bias towards capital-intensive projects. Small firms will still be able to claim regional development grants where no new jobs are created, but the majority of regional development grants will be related directly to job creation.

Mr. Wilson asked the Secretary of State for Scotland how many people joined the unemployment register in Scotland in each month from June 1984 to December 1984.

Mr. Allan Stewart: Information of this nature is now available in the House of Commons Library, as was indicated in my right hon. Friend's letter to all Scottish Members of 22 October 1984.

Housing Authorities (Interest Rates)

Mr. Craigen asked the Secretary of State for Scotland if he will introduce a revised 1985-86 Housing Support Grant (Scotland) Order or a variation order under section 3 of the Housing (Financial Provisions) Scotland Act 1978 to compensate housing authorities for the latest increase in interest rates.

Mr. Ancram: The draft Housing Support Grant (Scotland) Order 1985 was laid before the House on 11 January and will be debated on the floor of the House shortly. My right hon. Friend will consider introducing a variation order later in the year. In reaching his decision, he will take into account the pattern of interest rates during the year.

Fishing Vessels

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report (a)* the number and types of fishing vessels acquired by fishermen in the years 1979 to 1983 with the financial assistance from the Highlands and Islands Development Board and *(b)* the yards where these vessels were built.

Mr. John MacKay: I shall reply to the hon. Member as soon as possible.

Fisheries Protection

Dr. Godman asked the Secretary of State for Scotland when he expects to announce a decision concerning the placing of an order for the construction of a fisheries protection vessel for the Department of Agriculture and Fisheries.

Mr. John MacKay: My right hon. Friend is considering replacing the FPV Norna which was commissioned in 1959. A contract has been placed for the preparatory design work. It is too early to say when tenders might be invited and an order placed.

EMPLOYMENT

Gas Explosion (Putney)

Mr. Soames asked the Secretary of State for Employment whether he has yet received an interim report from the Health and Safety Commission on the investigation into the explosion at Newnham house, Manor Fields, Putney, on 10 January.

Mr. Tom King: I am advised by the chairman of the Health and Safety Commission that the investigators from the Health and Safety Executive believe they may have identified the source of the gas explosion.

Following detailed tests, a fracture in the cast-iron pipe that served Newnham house has been traced. Indications are that the gas seeped from the cracked mains into spaces below the building, including a service duct that ran the length of Newnham house.

Further work will be undertaken by the executive to identify the probable passage of gas through the building and to locate the seat of the explosion. I have asked the chairman to ensure that this work, and the publication of a full report on the findings of the investigation, proceeds with all due speed.

Vibration Diseases

Mr. Dixon asked the Secretary of State for Employment (1) what are the current guidelines for monitoring the vibration levels of any vibrating surface which causes discomfort, numbness or deadfinger at United Kingdom workplaces;

(2) what steps the Health and Safety Executive is taking regarding the risk to workers from vibration diseases.

Mr. Peter Bottomley: The British Standards Institution has published draft guidance on evaluation of the risk to health from vibration in BS DD 32 "Guide to the evaluation of human exposure to whole-body vibration" and BS DD 43 "Guide to the evaluation of exposure of the human hand-arm system to vibration". In 1980 the HSE published "Vibration Injuries of the Hand and Arm: their Occurrence and the Evolution of Standards and Limits" (HSE research paper 9); and in 1982 the executive published guidance on the control of chain saw vibration in its guidance note PM 31 "Chain saws". The executive is preparing further guidance on injuries caused by hand-arm vibration and ways of controlling the risk.

Wherever vibration is a risk to the health of persons at work, the Health and Safety at Work etc. Act 1974 requires that such action as is reasonably practicable be taken to minimise the risk. When considering whether action is needed in any particular case, HSE inspectors refer to the existing guidance and can seek expert advice from specialists and from the Employment Medical Advisory Service. The Health and Safety Executive is carrying out a survey to discover the extent to which tools and processes associated with vibration white finger are used in industry. The results are expected to be available by the end of 1986.

Notifiable Installations

Mr. Gareth Wardell asked the Secretary of State for Employment if he will make arrangemens for each hon. Member to receive a list of notifiable installations in their constituencies from the Health and Safety Executive.

Mr. Peter Bottomley: No. Section 28 of the Health and Safety at Work etc. Act prevents the Health and Safety Executive from providing formal lists of installations notified under the Notification of Installations Handling Hazardous Substances Regulations 1982, but the executive would discuss informally the position in an hon. Members's constituency. The Health and Safety Commission is currently reviewing whether more information could be made available to the public and whether the operation of section 28 presents an obstacle to the disclosure of information which the public might reasonably need.

ENERGY

Colliery Review Procedures

Mr. Deakins asked the Secretary of State for Energy what alterations were made to colliery review procedures by the National Coal Board in the year preceding the start of the current mining industrial dispute; and if he will make a statement.

Mr. David Hunt: None.

Subsidence (Compensation)

Mr. Heddle asked the Secretary of State for Energy (1) what steps he has taken to implement recommendations in the Waddilove report on subsidence compensation;

(2) whether he proposes to consult representatives of surface interests affected by mining subsidence on the introduction of measures to meet the recommendations of the Waddilove report on subsidence compensation.

Mr. David Hunt: We are giving very careful and urgent consideration to the Waddilove committee's recommendations. In addition, all organisations who gave evidence to the committee were asked for their comments on the recommendation when the report was published. These are also being studied.

Mr. Heddle asked the Secretary of State for Energy what discussions he has held with the National Coal Board on the recommendations of the Waddilove report on subsidence compensation; and if he will make a statement.

Mr. David Hunt: Officials from my Department and the National Coal Board have met on a number of occasions to discuss in detail the recommendations made in the Waddilove report. The whole question of subsidence compensation and the adequacy of the present system is being given urgent and serious consideration by both Government and the board.

Power Stations

Mr. Chris Smith asked the Secretary of State for Energy (1) if he will estimate, for the first 5 per cent. of a reduction of 60 per cent. on 1980 levels of sulphur dioxide emissions from power stations in the Central Electricity Generating Board system, by 1995, what the cost of sulphur abated per tonne would be through *(a)* electricity or energy conservation, *(b)* flue gas desulphurisation, *(c)* substitution of nuclear power by commissioning new plant and *(d)* coal washing;

(2) what information he has as to the number of fossil fuel power stations which would need to be fitted with flue gas desulphurisation equipment if sulphur dioxide emissions from this source were to be reduced by *(a)* 30 per cent. *(b)* 60 per cent. and *(c)* 80 per cent.

Mr. Goodlad: These are matters for the Central Electricity Generating Board and I am asking the chairman to reply to the hon. Member.

Coal Production

Mr. Peter Bruinvels asked the Secretary of State for Energy how many mines were producing coal on 14 January; and how this compares with three months previously.

Mr. David Hunt: I understand from the National Coal Board that 71 pits were producing coal on 14 January. On 15 October the equivalent figure was 55.

Energy Demand

Mr. Wilson asked the Secretary of State for Energy if he will publish in the *Official Report* the most up-to-date estimates made by his Department of total United Kingdom energy demand over the next 10 years; and if he will show his Department's estimates for the years 1980 to 1983 and the actual demand in each of those years.

Mr. Peter Walker: Forecast estimates of energy demand for each of the next 10 years are not available. However my Department's energy projections, presented as an annex to the proof of evidence to the Sizewell inquiry, indicate that the total primary energy demands for the United Kingdom in the years 1990 and 2000 could be in the ranges 339-396 and 328-461 million tonnes of coal equivalent respectively.

The latest document* which included a forecast of energy demand in 1980 was published by the Department in 1976. No forecasts were made for the individual years 1981-1983. The document estimated the primary energy demand, on the assumptions shown, as 360-385mtce. The actual demand in the years 1980-83 is shown in the table.

United Kingdom Total Primary Energy Demand

	Million tonnes coal equivalent
1980	340·5
1981	329·9
1982	324·8
1983	326·5

All figures include fuels used for non energy purposes.

* United Kingdom Energy Supply and Demand Prospects. National Energy Conference 1976.

Coal Exports

Mr. D. E. Thomas asked the Secretary of State for Energy what are his estimates of the likely effects on coal exports of the depreciation of the pound sterling to parity with the dollar.

Mr. David Hunt: There has been no depreciation of the pound sterling to parity with the dollar.

NCB (Profitability)

Mr. D. E. Thomas asked the Secretary of State for Energy if he will make a statement on his Department's

estimate of the effects on the National Coal Board's profitability of the depreciation in the value of the pound sterling since March 1984.

Mr. David Hunt: This is essentially a matter for the NCB. Depreciation of the pound against the dollar should, on balance, have a beneficial impact on the NCB's profitability, but this will be very small in comparison with the losses that were being incurred and those resulting from the damage to coal faces and market prospects by the present unjustified industrial action by some sections of the NUM.

Coal Faces (Deterioration)

Mr. Speller asked the Secretary of State for Energy how many coal faces have deteriorated and are now deemed to have been lost to future production in mines considered by the National Coal Board to be economically viable.

Mr. David Hunt: I understand from the National Coal Board that 25 producing faces are now regarded as lost.

DEFENCE

RAF Stanmore Park

Mr. Dykes asked the Secretary of State for Defence if he has been able to reach any decision on the future use of RAF Stanmore park.

Mr. Lee: Studies are currently in hand into how we might rationalise our holdings of defence lands in the London area, including Stanmore park. It is too early to say what the outcome of these studies will be, but I will write to my hon. Friend when I have more definite information.

Crown Proceedings Act 1947

Mr. John Browne asked the Secretary of State for Defence if he has any plans to introduce legislation to amend section 10 of the Crown Proceedings Act in so far as it affects the rights of members of the Territorial and Reserve Forces to claim redress from his Department in the event of negligence.

Mr. Lee: I cannot add to the reply I gave to my hon. Friend the Member for the New Forest (Mr. McNair-Wilson) on 13 December 1984, at column *100*, concerning the review of the Crown Proceedings Act 1947.

Plutonium

Mr. George Robertson asked the Secretary of State for Defence if he will list in the *Official Report* all the military uses to which plutonium is put.

Mr. Butler: Plutonium is used in the defence nuclear programme.

Uranium

Mr. Foulkes asked the Secretary of State for Defence (1) if he will make a statement on the use of depleted uranium in military equipment;

(2) how much depleted uranium has been purchased for military use in each of the last three years for which figures are available; and from whom.

Mr. Butler: A comprehensive statement on the use of depleted uranium in anti-armour ammunition was placed in the Library of the House on 8 March 1979, at columns *777-78*, by the then Secretary of State for Defence, and a further statement was made by the then Secretary of State on 25 January 1980 at column 395. The research and development programme to which these statements refer is continuing. Depleted uranium to the value of some £100,000 in 1981-82, £200,000 in 1982-83 and £300,000 in 1983-84 has been procured for the programme from British and overseas sources.

I am today replying to a separate question from the hon. Member on the use of depleted uranium in the Phalanx close-in weapon system.

Additionally, depleted uranium may be used in the defence nuclear programme. For security reasons, it is a long-standing practice not to reveal details, including quantities, of materials procured for that programme.

Phalanx Weapon Systems

Mr. Foulkes asked the Secretary of State for Defence how many Phalanx close-in weapon systems are in operation in the Royal Navy; and whether they are all equipped with depleted uranium bullets.

Mr. Butler: There are currently four Phalanx systems in operational use with the Royal Navy. All Phalanx close-in weapon systems are equipped with ammunition made of an alloy containing depleted uranium, the purpose of which is to increase the density, and hence the penetrating power, of the shot.

Falkland Islands Campaign

Mr. Dalyell asked the Secretary of State for Defence (1) if he will list the signals from Northwood to HMS Splendid and from HMS Splendid to Northwood over the period 28 April to 3 May 1982;

(2) if he will list the signals from Northwood to HMS Spartan and from HMS Spartan to Northwood over the period 28 April to 3 May 1982.

Mr. Stanley: No. The subject matter of these signals is classified.

Mr. Dalyell asked the Secretary of State for Defence (1) if he will list the course and positions of HMS Splendid over the period 28 April to 3 May 1982;

(2) if he will list the course and positions of HMS Spartan over the period 28 April to 3 May 1982.

Mr. Stanley: The courses and positions of Her Majesty's submarines are classified.

Mr. Dalyell: asked the Secretary of State for Defence (1) whether HMS Splendid located the Argentine carrier group between 28 April and 3 May 1982;

(2) whether HMS Spartan located the Argentine corvette group between 28 April and 3 May 1982.

Mr. Stanley: I shall write to the hon. Member.

Falkland Islands (Troop Transportation)

Mr. Dalyell asked the Secretary of State for Defence how many TriStars will be available to take troops to the Falklands after the opening of the airport.

Mr. Stanley: Nine TriStar aircraft have been purchased for the RAF. Although their primary role is air-to-air refuelling, all of these aircraft would potentially be

available to carry troops to the Falklands. The precise availability of aircraft at any one time will depend on many factors, including other operational priorities and the conversion and servicing programmes. The actual arrangements for the regular air trooping movements to and from the Falklands after the opening of the airport are still under consideration.

Falkland Islands

Mr. Spearing asked the Secretary of State for Defence what war compensation has been applied for and what amounts have been paid to the Falkland Islands Company since June 1982.

Mr. Renton: I have been asked to reply.

The Ministry of Defence, as agents for the Foreign and Commonwealth Office, received a claim from the Falkland Islands Company under the compensation scheme for civil losses announced by the then Minister of State, Foreign and Commonwealth Affairs on 28 July 1982, at column *570*. With the exception of one outstanding item, which is currently the subject of negotiation, the company's claim has been settled. It is not the practice to reveal details of claims, as such information is treated as "in confidence" between the Government and the claimant.

Overflying Missiles

Mr. Deakins asked the Secretary of State for Defence if it is Government policy to intercept and if necessary destroy missiles launched overseas which pass over the United Kingdom.

Mr. Stanley: It is the Government's policy to take appropriate action justified in the circumstances at the time for the defence of this country.

Cruise Missiles

Mr. Deakins asked the Secretary of State for Defence if any United Kingdom cruise missiles have flight plans which would take them over the territory of third countries not in NATO en route to their intended targets.

Mr. Stanley: It has been the practice of successive Governments not to comment on targeting plans for nuclear weapons.

Directorate General of Defence Accounts

Mr. Gordon Brown asked the Secretary of State for Defence what consultations he now proposes with the relevant trades unions over the report by Coopers and Lybrand on the directorate general of defence accounts.

Mr. Butler: The non-industrial trades unions have commented on the phase I report. These comments have been taken into account in preparing proposals for further study of the defence accounts organisation which are now being considered. There will be further opportunities for consultation during the progress of that further work which I hope the unions will take up. I am sorry to say, however, that it is the official policy of the non-industrial trades unions not to co-operate with this review.

Mr. Gordon Brown asked the Secretary of State for Defence if he will publish the report by Coopers and Lybrand on the directorate general of defence accounts.

Mr. Butler: Yes. Copies of the report will be placed in the House of Commons Library and in the MOD Library. It will be available as an open Government document.

Civilian Payroll Operation

Mr. Gordon Brown asked the Secretary of State for Defence on what basis his Department is holding discussions with the Baric, Safe Computing and SIA companies on the future of the civilian payroll operation.

Mr. Butler: No such discussions are currently being held. Information on a routine exploratory basis had earlier been sought about software packages and bureau services available for the processing of pay accounts.

Submarines (Orders)

Dr. Godman asked the Secretary of State for Defence when he expects to announce his decision upon the placing of orders for type SKK 2400 submarines.

Mr. Lee: Tenders have been invited for the three boats to follow HMS Upholder but decisions have yet to be taken on the size and timing of orders.

Falkland Islands (Ministerial Flight)

Mr. Dalyell asked the Secretary of State for Defence if he will make a statement about the incident involving the aeroplane carrying Lord Trefgarne to the Falklands which caused it to make an unscheduled landing in Senegal.

Mr. Lee: The RAF VC10 carrying my noble Friend on the first stage of his journey to the Falkland Islands made a scheduled refuelling stop at Dakar on 6 January. Shortly after take-off the aircraft suffered a bird strike and returned to the airport so that the damage could be assessed. As repairs were necessary, the next VC10 flight was brought forward to fly out spares and take my noble Friend's party on to Ascension Island.

Argentina (Radar Contracts)

Mr. Foulkes asked the Secretary of State for Defence if he is satisfied that no contracts involving British companies and the supply of navigation and surface search radars for Argentinian MEKO 140 corvettes were signed after July 1982; and if he will make a statement.

Mr. Butler: I am not aware that any such contracts have been signed since July 1982.

Argentina (Military Equipment)

Mr. Foulkes asked the Secretary of State for Defence if he has authorised the maintenance of Argentine military equipment by British personnel; and if he will make a statement.

Mr. Butler: No.

Mr. Foulkes asked the Secretary of State for Defence what information he has regarding maintenance clauses in contracts involving British companies and the supply of military equipment and spare parts to Argentina; and if all such maintenance clauses were agreed upon before the Falklands conflict.

Mr. Butler: I shall reply shortly.

THE CHURCH COMMISSIONERS

St. Martin's Vicarage, Dorking

Mr. Peter Bruinvels asked the hon. Member for Wokingham, as representing the Church Commissioners, what representations were received by the Church Commissioners as to the sale of St. Martin's vicarage, Dorking; whether they are satisfied as to the arrangements on the future relocation of the present incumbent into the Coach house, Westcott road, Dorking; and if he will make a statement as to their general policy over the sale of church property.

Sir William van Straubenzee: The Commissioners have received no representations. The accomodation which will be provided as a result of the conversion of the Coach house accords with the standards currently recommended for new parsonage houses and they are satisfied that it should prove adequate for successive incumbents.

Parsonage houses are owned by individual incumbents. In co-operation with the diocesan authorities the Commissioners have, by means of grants and loans, encouraged the replacement of those parsonage houses which are costly to maintain or to occupy with houses which accord more closely to modern requirements.

NATIONAL FINANCE

Income Tax Allowances

Mr. Marlow asked the Chancellor of the Exchequer if he will introduce legislation to transfer an element of income tax allowances from the married man's allowance to a new allowance for non-working spouses or spouses without income.

Mr. Moore: I have noted my hon. Friend's suggestion.

Public Expenditure White Paper

Mr. Michael Forsyth asked the Chancellor of the Exchequer when he intends to publish the public expenditure White Paper.

Mr. Peter Rees: "The Government's Expenditure Plans 1985-86 to 1987-88"—Cmnd. 9428, Vol. I and II will be published at 3.30 pm on Tuesday, 22 January, and copies will be available in the Vote Office.

Civil Service Union Representatives (Facilities)

Mr. Michael Forsyth asked the Chancellor of the Exchequer if he will give the latest estimates for each of the main Government Departments of the cost of facilities for elected representatives of Civil Service non-industrial unions.

Mr. Hayhoe: The estimates as at 1.6.84 are shown in the tables. Compared with the position as at 1.6.83 there has been a reduction of about 190 man years in the amount of paid time off for union business, with consequential savings (in real terms) approaching £2·0 million. These savings reflect the tighter control and accountability measures introduced by departmental agreements framed within the national agreement.

Civil Service non-industrial union representatives

Estimates of numbers and cost of paid time off for industrial relations duties and trade union activities (as at 1 June 1984)

Table 1—Percentage of time off

Department	*Under 5*	*6-10*	*11-20*	*21-30*	*31-40*	*41-50*	*51-60*	*61-70*	*71-80*	*81-90*	*91-99*	*Full Time*
Ministry of Agriculture, Fisheries and Food	31	34	22	10	1	1	1	2	—	—	—	4
Customs and Excise	357	186	100	16	16	9	11	15	6	7	—	39
Ministry of Defence (including Royal Ordnance Factories)	1,189	193	116	52	18	16	9	2	12	—	8	8
Department of Employment Group	1,038	920	207	70	26	15	5	6	4	—	—	10
Department of Environment/ Transport	309	109	74	9	2	4	5	6	—	2	—	11
Foreign and Commonwealth Office* (including Overseas Development Administration)	50	9	24	2	4	—	—	2	—	1	—	8
Department of Health and Social Security	791	284	487	121	55	47	33	12	20	26	38	60
Home Office* (including Prison Department)	746	77	109	83	5	4	3	5	5	1	1	10
Department of Trade and Industry	308	65	38	10	6	3	2	2	4	5	1	5
Inland Revenue	1,530	234	154	43	19	22	9	3	5	4	2	8
Lord Chancellor's Department	89	19	26	14	8	8	3	2	1	1	—	7
Department for National Savings	170	5	7	9	1	3	3	1	—	3	—	9
Property Services Agency (including Crown Supplies)	311	79	47	5	2	2	1	—	1	—	—	6

Department	Under 5	6-10	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-90	91-99	Full Time
Scottish Office (including General Register Office (Scotland) Scottish Record Office)	105	26	7	—	—	2	—	—	—	—	—	8
Other Government Departments	440	121	65	23	21	14	2	3	3	4	3	23
Total	7,464	2,361	1,483	467	184	150	87	61	61	54	53	216

* Figures take into account the transfer of the Passport Office from the FCO to the Home Office on 1 April 1984.

Table 2 Numbers and Cost

Department	Total Number involved	Total Number, expressed or whole time equivalent	Cost in Salaries wages and direct benefit (£ million)	Cost as percentage of wage bill	Total number of non-industrial staff at 1 July 1984
Ministry of Agriculture, Fisheries and Food	106	17	0·20	0·2	10,678
Customs and Excise	762	117	1·25	0·4	25,175
Ministry of Defence (including Royal Ordnance Factories)	1,623	147	1·39	0·1	102,487
Department of Employment Group	2,301	107	1·15	0·2	54,295
Department of Environment/Transport (excluding Property Services Agency)	531	52	0·60	0·3	20,902
Foreign and Commonwealth Office* (inc. Overseas Development Administration)	100	18	0·16	0·1	9,630
Department of Health and Social Security	1,974	345	2·95	0·3	89,791
Home Office* (including Prison Department)	1,049	106	1·07	0·2	33,584
Department of Trade and Industry	449	36	0·45	0·3	12,060
Inland Revenue	2,033	108	1·34	0·2	68,938
Lord Chancellor's Department	178	32	0·34	0·3	10,017
Department for National Savings	211	24	0·20	0·3	7,806
Property Services Agency (inc. Crown Supplies)	454	30	0·36	0·2	13,699
Scottish Office (including General Register Office (Scotland) and Scottish Record Office)	148	20	0·16	0·1	6,557
Other Government Departments	722	90	1·02	0·2	35,266
Total	12,641	1,249	12·64	0·2	500,885

* Figures take into account the transfer of the Passport Office from the FCO to the Home Office on 1 April 1984.

EC (Own Resources)

Mr. Michael Brown asked the Chancellor of the Exchequer if he will make a statement about an advance of own resources payments to the European Communities in January.

Mr. Ian Stewart: The Commission has, in accordance with article 10(2) of Council Regulation 2891/77, invited member states to advance from 20 February to 21 January payments of own resources other than VAT in respect of agricultural, sugar and isoglucose levies and customs duties collected by the Government on their behalf in December. The Government are complying with this request, which is entirely separate from the intergovernmental agreement of 2/3 October 1984.

Pending parliamentary approval of a spring Supplementary Estimate, payment of £99 million will be made by a repayable advance from the Contingencies Fund. The payment of levies and duties on 20 February 1985 which is made directly from the Consolidated Fund under section 2(3) of the European Communities Act 1972 will be reduced by the amount of the advance. There will therefore be no net addition to forecast public expenditure.

Any further requests for advances will be considered in the light of the then prevailing circumstances.

ATTORNEY-GENERAL

Student Unions (Use of Funds)

Mr. Greenway asked the Attorney-General what steps he is taking following the proposal by the students union of the Polytechnic of North London to pay £1,000 to striking miners; and if he will make a statement.

The Attorney-General: Following reports that payments were likely to be made out of the funds of the North London polytechnic students' union which would be incompatible with its charitable status, I applied *ex-parte* to the High Court on 11 December 1984 for an injunction restraining the officers of the union from making or authorising such payments.

That application was granted; and on 14 December the court extended the injunction until 4 February 1985 or further order.

It subsequently came to my notice that there was nevertheless a risk that the funds of the union might be applied in a manner that was incompatible with the terms of the injunction. Accordingly, and in the absence of an undertaking on the part of the union officers that they would comply with the injunction, I appled on 27 December for the appointment of a receiver to safeguard those funds. The court has appointed Mr. Clive Sherling, a partner in Arthur Andersen and Co., chartered accountants, to act as receiver until after judgment in the main action, when the court is expected to rule on the legality of the disputed payments.

PRIME MINISTER

Entertainment Costs

Mr. Skinner asked the Prime Minister what is the latest figure for the cost of entertaining at *(a)* Chequers and *(b)* 10 Downing street (i) since May 1979 and (ii) since June 1983.

The Prime Minister: The total cost of entertainment was £92,787 during the period May 1979 to December 1984 and £30,824 during the period June 1983 to December 1984. These figures cover entertainment at both Chequers and No. 10 Downing street; the information is not available by location.

Foreign Visits (Cost)

Mr. Skinner asked the Prime Minister what is the latest figure for the cost of her foreign tours since May 1979.

The Prime Minister: The total expenditure by the Prime Minister's Office on foreign tours during the period May 1979 to December 1984 is £1,992,092.

Private Office (Cost)

Mr. Skinner asked the Prime Minister what is the latest cost figure for maintaining her Private Office since May 1979.

The Prime Minister: The information is as follows from and including the financial year 1979-80.

*Total annual cost at outturn prices**

	£
1979-80	1,299,601
1980-81	1,614,824
1981-82†	2,303,301
1982-83	2,554,752
1983-84	2,885,042
1984-85‡	2,382,515

* Includes salaries and wages, pension liability and administration costs, but excludes any allowance for accommodation until 1983-84 when the property repayment scheme was introduced.

† The significant increase in the level of spending between 1980-81 and 1981-82 reflects the change in basis of charging by MOD for aircraft used by the Prime Minister, and also the introduction of repayment for the service staff at Chequers, previously provided as an allied service.

‡ To end of December 1984.

Engagements

Mr. Greenway asked the Prime Minister if she will list her offical engagements for Thursday 17 January.

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 17 January.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Ivanhoe Investments Ltd.

Mr. Foulkes asked the Prime Minister if any Ministers were consulted by British Airways prior to the setting up of Ivanhoe Investments Ltd. in Jersey for the purpose of payments to creditors of Laker Airways.

The Prime Minister: No.

Tax Evasion

Mr. George Foulkes asked the Prime Minister if she will take steps to ensure that no company with a Government majority shareholding, establishes or uses any facilities in the Channel Islands or the Isle of Man for the purpose of avoiding United Kingdom tax.

The Prime Minister [*pursuant to her reply*, 16 January 1984, c. *124*]: The Government expect companies controlled by the public sector to act responsibly in taxation matters. The law is the same for all United Kingdom companies whether the Government hold a majority stake in them or not, and it is for the companies concerned to ensure that the law is obeyed.

TRANSPORT

Electric Cars

Mr. Peter Bruinvels asked the Secretary of State for Transport what plans he has to require drivers of electric cars to pass a driving test and to hold a current driving licence; and if he will make a statement.

Mrs. Chalker: The driver of a motor vehicle propelled by electrical power is already required to pass a driving test and to hold a current driving licence. These requirements do not, however, apply to the riders of electrically assisted pedal cycles, such as the Sinclair C5.

Motorway Lighting

Mr. Peter Bruinvels asked the Secretary of State for Transport how many miles of motorway do not have warning lights; what would be the cost of providing them; and if he has considered providing them throughout.

Mrs. Chalker: All motorways have warning lights.

Parking Penalties (Verges and Pavements)

Mr. Peter Bruinvels asked the Secretary of State for Transport what is his Department's policy concerning the penalties and offences for parking on grass verges and pavements.

Mrs. Chalker: Legislation provides for fines of up to £400 for parking illegally on footways and verges. We actively publicise the dangers and inconvenience of this selfish practice.

Helicopters

Mr. Sheerman asked the Secretary of State for Transport what action he proposes to take following the recommendation made by the helicopter airworthiness review panel on the need for the mandatory fitting of crashworthy fuel tanks in public transport helicopters.

Mr. Michael Spicer: The Civil Aviation Authority is statutorily responsible for setting airworthiness requirements. The authority is working with other European airworthiness authorities and with the Federal Aviation Administration of the USA with the joint aim to improve helicopter fuel tank crashworthiness requirements, taking account of the best current practices.

Helicopter Pilots (Fatigue)

Mr. Sheerman asked the Secretary of State for Transport what action he is proposing to take to ensure that flight-time limitation regulations offer sufficient protection to helicopter pilots against the onset of fatigue.

Mr. Michael Spicer: The regulation of flying and duty hours performed by helicopter pilots is the responsibility of the Civil Aviation Authority. The current flight time limitation regulations ensure that duty and flying hours are restricted to a safe maximum. Whilst the regulations make allowances for the more arduous tasks such as repetitive short sectors, winching and carrying external loads, the CAA are investigating other special features of the North sea oil operations which, although not directly related to fatigue, may produce similar symptoms.

British Airways

Mr. Steen asked the Secretary of State for Transport when he is proposing to issue a prospectus for the sale of British Airways.

Mr. Michael Spicer: There is some slippage in the plans for privatising British Airways because of the uncertainties created by the application of United States anti-trust law to air services under the Bermuda 2 aviation agreement, including the United States civil law suits following the collapse of Laker Airways. It remains my firm intention, however, to proceed with the privatisation as soon as practicable in the next financial year.

Trust Port Undertakings

Mr. Burt asked the Secretary of State for Transport whether he will relax Government controls over trust port undertakings.

Mr. David Mitchell: Many local enactments governing the operation of trust port undertakings contain ministerial controls and restrictions on their borrowings and related matters. These controls take no consistent form and are no longer appropriate to present day circumstances. Now that most ports (other than local authority undertakings) obtain capital for port investment from the private market, I intend this Session to seek Parliament's approval to the removal of these controls. This will allow the trust ports greater freedom of action, though statutory limits on their total borrowings will remain.

Trust ports will then be on the same footing as private sector ports.

AGRICULTURE, FISHERIES AND FOOD

Surplus Food

3. **Mr. Canavan** asked the Minister of Agriculture, Fisheries and Food what is the total volume and value of surplus food currently stored in the United Kingdom; and what is the cost of storage.

Mr. Jopling: United Kingdom intervention stocks of beef, breadwheat, butter and skimmed milk powder on 31 December totalled 360,550 tonnes valued at some £500 million. The cost of storing and handling intervention stocks including all forms of cereals in 1983-84 was £49 million.

Processed Foods

7. **Mr. Hardy** asked the Minister of Agriculture, Fisheries and Food what steps he is taking to promote the export of British processed foods in the European Community.

Mrs. Fenner: The British food industry is already engaged in promoting its products in the Community. In this it is actively aided by Food From Britain which has identified the Benelux countries, the Federal Republic of Germany, and France as specific export markets where the promotion of a priority range of British food products is receiving support.

Halvergate Marshes

15. **Mr. Dalyell** asked the Minister of Agriculture, Fisheries and Food how much money his Department has disbursed to farmers for draining land in the area of Halvergate marshes.

Mrs. Fenner: Since 1 October 1980, when the present capital grant schemes were introduced, we have paid no grant for field drainage in the Halvergate marshes. This area is, however, only a small part of a larger area known as the Halvergate levels. Since 1980 we have paid £21,500 in grant for field drainage, most of which was in this larger area.

North Sea Herring

17. **Mr. Henderson** asked the Minister of Agriculture, Fisheries and Food what is the current

position of negotiations between Norway and the European Economic Community over the share out of North sea herring fishing.

Mr. MacGregor: Negotiations between Norway and the Community on the share-out of North Sea herring are continuing. Meanwhile provisional quotas have been set for Community fishermen in the Community zone.

Outgoers Scheme

18. **Mr. Nicholls** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the operation of the outgoers scheme as far as tenant farmers are concerned; and if he will make a statement.

Mr. Jopling: Yes. Of the 4,826 applicants in England and Wales who originally expressed an interest in the scheme, approximately 40 per cent. were tenant farmers. So far 1,219 producers have accepted invitations to join the scheme. By the beginning of January some 540 producers had received their first year payments and 45 per cent. of these were tenants.

27. **Mr. Knox** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on progress made on the outgoers scheme for dairy farmers.

Mr. Jopling: To date invitations have been sent to a total of 3,536 producers. By January 1,219 producers had decided to go out of production and they will, on a full year basis, surrender a total of 145 million litres. As other producers come to make their decisions, some will no doubt drop out thereby allowing offers to be made to others. I have no reason to suppose that we will not be able to reach our target of 289 million litres.

Straw Burning

19. **Mr. Andrew F. Bennett** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the effect of the byelaws and codes of practice relating to straw burning on the amount of straw burnt in 1984.

Mrs. Fenner: The primary purpose of the byelaws and the code of practice is to ensure that straw is burnt safely and with the minimum of nuisance to others. As my right hon. Friend said in reply to the hon. Member for Knowsley, North (Mr. Kilroy-Silk) on 14 November the number of reported incidents of bad burning was much reduced in 1984.

EC (Spain and Portugal)

20. **Sir John Farr** asked the Minister of Agriculture, Fisheries and Food if he is satisfied that the accession of Spain and Portugal to the European Economic Community will inflict no permanent damage on the United Kingdom's agricultural and horticultural industries.

Mr. Jopling: I am confident that the industries are in a position to adapt successfully during the transition period to the challenges and opportunities offered by enlargement of the Community.

Milk Quotas

21. **Mr. Latham** asked the Minister of Agriculture, Fisheries and Food what is the latest position regarding the implementation of milk quotas.

Mr. Jopling: So far as the Community as a whole is concerned, I understand that all member states have made individual quotas known to their producers, with the exception of Luxembourg where there are administrative difficulties, and Italy and Greece where liability for levy is not due to be assessed until the end of the marketing year. The extent to which special cases and other administrative details have been completed varies considerably but all member states will have some problems to solve.

In the United Kingdom, the work of the local panels was completed by the end of December apart from a very few cases where there are special problems.

Most of the work of the tribunals will be completed by early February. Some 3,537 producers in the United Kingdom have now been invited to participate in the outgoers scheme and some 1,219 have committed themselves to the scheme.

Hill Areas

22. **Mr. Geraint Howells** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the present state of those farming in the hill areas of Britain; and if he will make a statement.

Mrs. Fenner: The past 12 months have been a difficult period of adjustment for many farmers, whether in the hills or elsewhere. However, in spite of the financial pressures on the Government we have preserved the levels of compensatory allowances for farmers in the original less favoured areas. In addition, we have introduced compensatory allowances and special rates of capital grants in the marginal lands which will provide significant help to the upland economy. We also have the needs of hill farmers very much in mind in the negotiations on the new Community structures in Brussels.

Horticultural Produce

23. **Sir John Wells** asked the Minister of Agriculture, Fisheries and Food what steps he is taking to promote exports of British horticultural produce.

Mrs. Fenner: My Department provides a range of services to assist exporters of British horticultural produce. In addition, Food from Britain, which my Department funds, actively promotes sales of British horticultural produce abroad.

Liquid Milk

24. **Mr. Needham** asked the Minister of Agriculture, Fisheries and Food when he will next meet the chairman of the Milk Marketing Board to discuss liquid milk sales.

Mr. Jopling: I am in regular touch with the chairman of the Milk Marketing Board but have no specific plans to meet him at present.

Integrated Farming

25. **Mr. Baldry** asked the Minister of Agriculture, Fisheries and Food what progress is being made towards integrated farming and the reform of the European Economic Community structures directive to allow European Economic Community funds to be used for this purpose.

28. **Mr. Yeo** asked the Minister of Agriculture, Fisheries and Food what progress has been made by his Department in securing European Community funds for the promotion of integrated farming schemes.

Mrs. Fenner: As we have previously informed the House, the Government have tabled amendments to the European Community's proposed agricultural structures legislation which would enable financial assistance to be given to encourage types of farming which are sympathetic to conservation in designated areas which are environmentally sensitive. I am sorry to report that our proposal has received virtually no support. Nevertheless we intend to continue to press it strongly at the next meeting of the Agriculture Council.

Livestock (Treatment)

26. **Mr. Jackson** asked the Minister of Agriculture, Fisheries and Food if he is satisfied with present standards of treatment of livestock on farms.

Mrs. Fenner: The maintenance of satisfactory standards of welfare of farm animals requires continuing effort on the part of livestock keepers. I believe that the great majority of livestock keepers do this. My Department will also continue to give priority to all aspects of its work on animal welfare.

Salmon Tagging

27. **Sir Hector Monro** asked the Minister of Agriculture, Fisheries and Food what representations he has received concerning salmon tagging.

Mr. MacGregor: I have received representations from a number of sources about the idea of tagging salmon in order to reduce illegal fishing. As I announced last February we are examining the practical problems associated with a tagging scheme and we have been taking into account the varying views expressed to us.

Common Agricultural Policy

30. **Mr. Teddy Taylor** asked the Minister of Agriculture, Fisheries and Food what progress has been made in achieving reforms in the common agricultural policy; and if he will make a statement.

Mr. MacGregor: Significant progress was made at the 1984 CAP price fixing towards containing the costs of the CAP by reducing common prices on average and by establishing a quota regime for milk at a level well below then current production. This progress was consolidated in December by the agreement on a financial guideline designed to control the growth of Community agricultural expenditure. Also in December the European Council agreed a framework for reform of the Community's wine regime.

We shall continue to press in the Community the need for sustained price restraint, including the effective application of guarantee thresholds as the best means of containing CAP costs and bringing about a better balance of supply and demand. We shall press for the effective application of the financial guideline for agriculture. At the same time we are determined to ensure that the measures taken should not discriminate against United Kindom interests.

33. **Mr. Deakins** asked the Minister of Agriculture, Fisheries and Food when the European Economic Council of Agriculture Ministers plans to discuss the agreed financial guidelines in relation to 1985 common agricultural policy expenditure.

Mr. MacGregor: The financial guidline for agriculture will first apply to decisions taken in 1985 as they affect expenditure in 1986.

Farm Product Pricing

31. **Mr. Kirkwood** asked the Minister of Agriculture, Fisheries and Food what representations he has received about the impact of the European Economic Community farm product pricing mechanism on the confidence of the industry.

Mr. MacGregor: We have recently consulted representatives of the industry in the context of the annual review of agriculture. They were particulary concerned that the structure of CAP prices has promoted an undesirable imbalance between returns to the arable sectors and those to most livestock sectors.

Cereals

32. **Mr. Leigh** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on cereal surpluses.

Mr. MacGregor: The cereals surplus is a Community problem which must be tackled by the Community as a whole. The Government continue to believe that the right way to tackle this problem is by means of a clear and long-term policy of cereals price restraint.

Farm Produce (Marketing)

34. **Mr. Andy Stewart** asked the Minister of Agriculture, Fisheries and Food when he will next meet the chairman of Food from Britain to discuss the marketing of British farm produce.

Mrs. Fenner: My right hon. Friend the Minister has met the chairman of Food From Britain, Mr. Saphir, on a number occasions and will continue to do so during the coming months. They discuss a wide range of topics relating to Food from Britain's responsibilities to improve the marketing of British food both at home and abroad.

Conservation

35. **Mr. Maclean** asked the Minister of Agriculture, Fisheries and Food when he will next meet the president of the Country Landowners Association to discuss conservation matters.

Mrs. Fenner: My right hon. Friend regularly meets the president and other officers of the County Landowners Association to discuss a wide range of matters of mutual interest, including conservation.

Horses (Licensing and Identification)

36. **Mr. Amess** asked the Minister of Agriculture, Fisheries and Food if he will introduce legislation for the licensing and identification of horses.

Mrs. Fenner: The Ministry has no plans to introduce such legislation.

Intervention Stocks

Mr. Winnick asked the Minister of Agriculture, Fisheries and Food what is the total tonnes of beef, butter, skimmed milk powder, and bread grain held in European Economic Community intervention stores within the United Kingdom.

Mr. Jopling: United Kingdom intervention stocks at 31 December 1984 were as follows:

	Tonnes
Beef	46,740
Butter	146,620
Skimmed Milk Powder	91,425
Breadwheat	75,765

Fishing Vessels

Dr. Godman asked the Minister of Agriculture, Fisheries and Food (1) if he will list in the *Official Report (a)* the number and amounts of decommissioning grants awarded by the European Economic Community to fishing vessel owners in the United Kingdom who have removed their fishing vessels from the United Kingdom fishing fleet and *(b)* the types and ports of registration of those vessels;

(2) if he will list in the *Official Report (a)* the number and types of fishing vessels which have qualified for decommissioning grants from the European Economic Community that were constructed with the aid of grants and loans from the White Fish Authority and *(b)* the amount of this financial assistance per vessel.

(3) if he will list in the *Official Report (a)* the number and types of fishing vessels constructed, in the years 1979 to 1984, with the assistance of grants and loans from the Sea Fish Industry Authority and *(b)* the yards where they were constructed.

Mr. MacGregor: I shall reply to the hon. Member as soon as possible.

TRADE AND INDUSTRY

British Telecom (Shareholders)

Mr. Ashdown asked the Secretary of State for Trade and Industry if he will publish figures showing the number of British Telecom shares held by shareholders whose registered addresses are in *(a)* Scotland, *(b)* Wales, *(c)* Northern Ireland, *(d)* each of the regions of England, separately, and *(e)* abroad.

Mr. Butcher: An analysis of British Telecom shareholders' addresses to show the number of shares held in different parts of the United Kingdom could be achieved only at disproportionate cost. However, an up-to-date register of BT shareholders will be compiled in late spring, after the shares have ceased to trade in renounceable form, and this will be available for public inspection. Overseas purchasers in the separate issues in Japan, Canada and the United States accounted for 415 million shares at the time of the offer for sale. Around 149 million shares were allocated to overseas institutions, applying as priority applicants, in the United Kingdom issue.

Class B Radio Amateurs

Mr. Hardy asked the Secretary of State for Trade and Industry why class B radio amateurs will be allowed to practise the use of morse code on 144 MHz only by arrangement with, and on payment to, the Radio Society of Great Britain; and why the normal practice of gazetting such a change has not been followed.

Mr. Butcher: A *Gazette* notice is only one of the ways in which an amateur licence may be varied; it is the method usually adopted where large scale and permanent amendments are required. In this case applicants are issued with a notice of variation which enables the Department to keep a record of the numbers participating in this experiment and their locations in the event of interference arising. The experiment covers all the class B amateur bands and not just 144 MHz.

The arrangement whereby the Radio Society of Great Britain issues the notices on behalf of the Secretary of State is the most cost-effective and administratively convenient. The payment by applicants of two first class postage stamps is to cover costs and postage incurred by the society.

Companies and Firms (Departmental Scrutinies)

Mr. Freeson asked the Secretary of State for Trade and Industry if he will give full details of any scrutinies or reports that his Department has been involved in concerning administrative and legislative requirements placed on companies and firms; what are their objectives; what are their scope; who is involved; if he will publish any papers relating to them; and if he will make a statement.

Mr. Trippier: The Department is leading a study within the scrutiny programme, based on fieldwork in seven Departments and interviews with business interests, of the costs borne by small businesses in complying with administrative and legislative requirements of central and local government. Decisions on publication will be taken following its completion next month.

Vosper Shiprepairers

Mr. Chope asked the Secretary of State for Trade and Industry how many bids have been received by British Shipbuilders for Vosper Shiprepairers; and how many such bids are for the whole business in its present form and how many for part only.

Mr. Butcher: I regret that I am not able to provide this commercially sensitive information. Negotiations for the sale of Vosper Shiprepairers are continuing.

Mr. Chope asked the Secretary of State for Trade and Industry on what date he will make an announcement about which bid for Vosper Shiprepairers Ltd. has been successful.

Mr. Butcher: British Shipbuilders hopes to agree terms for the sale of Vosper Shiprepairers before the end of February. British Shipbuilders will make an announcement after the Secretary of State has consented to a disposal.

Mr. Chope asked the Secretary of State for Trade and Industry what is or was the closing date for receipt of bids by British Shipbuilders for Vosper Shiprepairers Ltd.

Mr. Butcher: British Shipbuilders announced on 11 September 1984 that Vosper Shiprepairers was for sale. Those who then expressed an interest in acquiring the company were asked to submit bids by 2 November.

Building and Construction (Failures)

Mr. Rooker asked the Secretary of State for Trade and Industry what are the latest figures relating to business failures in building and construction; and how the figures compare with each of the past five years.

Mr. Fletcher: The latest figures for insolvencies in the construction industry in England and Wales are for January/September 1984. They are as follows, together with figures for the same period of 1983 and for each of the last five complete years:

	*Bankruptcies**	*Company liquidations†*
Years:		
1979	832	789
1980	783	949
1981	922	990
1982	988	1,422
1983‡	1,180	1,776
January/September		
1983	617	1,216
1984	498	1,313

* Bankruptcies relate to sole traders and partnerships.

† Compulsory and creditors' voluntary liquidations.

‡ On 1980 Standard Industrial Classification from here. Only differences from 1968 SIC used for 1979-1982 estimates is that opencast coal extraction and hiring out of contractors' plant and scaffolding are now excluded.

‖ Bankruptcy figures by industry for parts of a year are often incomplete.

Yarrow Shipbuilders and Hall Russell

Mr. Sayeed asked the Secretary of State for Trade and Industry what steps have been taken to advertise the sale of Yarrow Shipbuilders and Hall Russell; and whether he considers them adequate to attract the best outside bids.

Mr. Butcher: The two shipyards were advertised for sale on 10 or 11 December in the *Financial Times, Lloyd's List, The Times, The Daily Telegraph, The Scotsman, The Glasgow Herald* and *The Press and Journal*. I consider that the advertising has been adequate to attract realistic bids from serious potential purchasers.

Mr. Sayeed asked the Secretary of State for Trade and Industry what is the number of days allowed from the issue by Lazard Bros. of the selling memoranda for Yarrow Shipbuilders and Hall Russell to the time when *(a)* serious expressions of interest had to be lodged and *(b)* final bids have to be registered; and whether he considers such time scales to be reasonable and in the best interests of the taxpayer.

Mr. Butcher: My right hon. Friend announced on 25 July 1984 that he had asked British Shipbuilders to sell its warship building interests, including Yarrow Shipbuilders and Hall Russell. The sale documents were first issued on 10 December and potential purchasers were asked to submit initial bids within 42 days. This period has since been extended to 67 days at the request of certain potential bidders. I consider both the original time scale, and the extension, to have been reasonable at the time and in the best interest of the taxpayer. No date has been fixed for the registration of final bids.

Mr. Sayeed asked the Secretary of State for Trade and Industry what information is contained within the selling memoranda for Yarrow Shipbuilders and Hall Russell issued by Lazard Bros. on behalf of Bristol Shipbuilders; and whether he considers the information contained within the memoranda is adequate to attract the best outside bids.

Mr. Butcher: The sale documents contain a description of the activities, resources and financial histories of the companies. I consider that the information contained within the documents is adequate to attract realistic bids from serious potential purchasers.

Pipes and Tubes (EC Exports)

Mr. Hickmet asked the Secretary of State for Trade and Industry whether agreement has been reached between the European Commission and the United States authorities on European Economic Community exports of pipes and tubes to the United States of America.

Mr. Norman Lamont: Yes. Agreement was reached on 10 January 1985. It covers 1985 and 1986 and provides for the European Community to have a 7·6 per cent. share of the US market. Within this, the United Kingdom share is 0·40 per cent.

The agreement represents a significant improvement on the original US quota of 5·9 per cent. However, Her Majesty's Government will monitor its application closely.

Clothing, Footwear and Textile Industries

Mr. Nicholas Winterton asked the Secretary of State for Industry what plans he has to increase Government investment in the British clothing, footwear and textile industries.

Mr. Trippier [*pursuant to his reply*, 16 January 1985, c. *124*]: Despite our representations, the proposed £20 million scheme of investment support for small firms in these industries, announced last March, still awaits clearance by the European Commission. There are no other plans to invest or to support investment in the industries; but they are eligible under assistance schemes of general application. The latest figures show that they received or were offered £25·7 million under these schemes during the period April to September 1984.

ENVIRONMENT

National Heritage Memorial Fund

Mr. Andrew F. Bennett asked the Secretary of State for the Environment whether it is the policy of the National Heritage Memorial Fund to respond favourably to requests for endowments to assist the upkeep of heritage lands or buildings; and if he will list the endowments made or offered by the fund to date.

Mr. Macfarlane: Requests for endowments to assist the upkeep of heritage lands or buildings are considered alongside other requests for financial assistance in accordance with the fund's terms of reference, the resources available and priorities determined by the trustees. The following is a list of endowments given to date:

	£'s
Chelsea Physic Garden Trust	
Chelsea Physic Garden, London	60,000

	£'s
National Trust:	
Canons Ashby, Northamptonshire	1,000,000
Studley Royal, North Yorkshire	2,000,000
Belton House, Lincolnshire	3,825,000
Abergwesyn Common, Powys (towards cost of purchase and endownment)	100,000
National Trust for Scotland	
Islands of Canna and Sanday	285,000
Hill House, Helensburgh	400,000
Blairvockie Farm, Ben Lomond	100,000
Fyvie Castle, Aberdeenshire (first instalment)	441,000
Thirlestane Castle Trust:	
Thirlestane Castle, Lauder	650,000
Total paid to date	8,861,000

In addition, the fund has offered a further £879,000 to the National Trust for Scotland for the endowment of Fyvie castle in 1985-86 and 1986-87 and has committed in principle a sum of £4·48 million for the endowment of Calke abbey.

Mr. Andrew F. Bennett asked the Secretary of State for the Environment if he will list as a percentage of the total funds spent or committed by the National Heritage Memorial Fund in each year since 1980 and the amounts spent on the following subjects *(a)* historic buildings and houses, *(b)* painting or art objects, *(c)* books, archives and libraries, *(d)* industrial archaeology, *(e)* scenic land and *(f)* scientific land, sites of special scientific interest and nature reserves.

Mr. Macfarlane: The information requested is as follows. Further details are published in the annual reports of the NHMF, which are available in the Library.

	1980-81		*1981-82*		*1982-83*		*1983-84*	
	£	*per cent.*	£	*per cent.*	£	*per cent.*	£	*per cent.*
(a) Buildings	580,000	27	1,450,000	30	64,150	2	9,191,042	62
(b) Paintings, museum objects and works of art	1,228,428	58	1,867,794	38	2,227,646	51	1,666,139	11
(c) Manuscripts and archives	148,644	7	142,625	3	386,775	9	924,230	6
(d) Industrial history, transport and maritime history	150,000	7	676,345	14	485,603	11	512,479	3
(e) Scenic and amenity land	—	—	544,042	11	1,038,116	24	2,381,838	16
(f) Nature conservation and land of scientific interest	23,523	1	221,021	4	130,675	3	222,637	2
Total	2,130,595		4,901,827		4,332,965		14,898,365	

Parish Rate

Mr. Heddle asked the Secretary of State for the Environment what evidence he has of parish councils levying a parish rate which puts the district council over target.

Mr. Waldegrave: Thirty-nine district and borough councils which collect precepts for parish councils are budgeting to exceed their targets in 1984-85. It is impossible to judge how they might have budgeted in the absence of those precepts.

Standard Discretionary Grants

Mr. Heddle asked the Secretary of State for the Environment how much money has been paid by local authorities by way of standard and discretionary grants for each year since 1974 to the latest available date.

Sir George Young: The amounts of housing conversion and improvement, intermediate and special, and repairs grants paid by English local authorities to private owners and tenants in 1981 to 1983 and provisional figures for the first two quarters of 1984, appear in the table 2.14 of "Housing and Construction Statistics, Part 2" No. 18: figures for the earlier years are in table 7.1 of "Housing and Construction Statistics 1973-83". Copies of both publications are available in the Library. Standard grants for the provision of missing amenities were replaced by intermediate grants under the 1974 Housing Act and payments of standard grants ceased in 1977.

Housing Revenue Accounts

Mr. Chris Smith asked the Secretary of State for the Environment what was the cost of subsidies *(a)* from the Exchequer and *(b)* from the general rate fund to local authority housing revenue accounts for each of the years from 1975-76 to 1983-84 and the estimated expenditure for the year 1984-85.

Mr. Waldegrave: On the basis of information provided by local authorities in subsidy claim forms submitted to the Department, the available information for England is as follows. The housing subsidy system has changed during the period, so comparisons between years are of limited value.

Year	*Exchequer Main Housing Subsidy* £ million	*Net Transfers from authorities' General Rate Fund to their Housing Revenue Account* £ million
1975-76	576·7	151·9
1976-77	745·2	136·2
1977-78	818·5	140·1
1978-79	971·5	199·6
1979-80	1,240·2	320·6
1980-81	1,393·3	433·1
1981-82	863·1	402·5
1982-83	†420·5	410·6
1983-84	†359·0	477·5
1984-85	†393·0	*420·2

* Estimated.
† Subject to adjustment based on audited final claims.

Merseyside Task Force

Mr. Kilroy-Silk asked the Secretary of State for the Environment how much money was spent and on what projects it was spent in each year since its inception by the Merseyside task force in Knowsley.

Mr. Patrick Jenkin: I have made funds available from my Department's programmes to support special initiatives in Knowsley. The money has been and is being spent on a wide variety of programmes and projects aimed at helping to tackle problems in the borough. Those funds have been substantially supported by Exchequer grant and have been administered by the Merseyside task force. They resulted in an outturn of £1.12 million in 1982-83, £3.56 million in 1983-84 and an allocation, to date, of £6.65 million in 1984-85. The main schemes to benefit have been: Stockbridge village, Northwood community refurbishment scheme, Finch House estate, Knowsley and Huyton industrial estates, Prescot leisure centre and Stadt-Moers country park. The programmes concerned are ubran programme, derelict land, Housing Corporation and sports.

Council Houses (Rent Arrears)

Mr. Loyden asked the Secretary of State for the Environment if he has any plans to introduce legislation to change the position of women who are currently held responsible for rent arrears of council houses when a joint tenancy is ended and the woman or wife becomes the sole tenant.

Sir George Young: No. In entering into a joint tenancy agreement, the partners assume joint responsibility for discharging such obligations.

Crown Court Accommodation

Mr. Greg Knight asked the Secretary of State for the Environment what is his policy towards the purchase of land, buildings and chattels for use as temporary Crown court accommodation; what criteria are used; and by what means he ensures that public money is not wasted.

Sir George Young: Land, buildings and chattels for use as temporary Crown court accommodation are purchased or, as appropriate, leased by my Department sufficient to meet the requirements of the Lord Chancellor's Department. The latter take account of, inter alia, the current and estimated future numbers of Crown court cases in England and Wales and the accommodation and facilities already available. Before additional temporary (or permanent) Crown court accommodation is provided, my Department, in conjunction with the Lord Chancellor's Department, examines fully, with a financial appraisal, the possible options identified for meeting the particular requirement, including the possible use of appropriate accommodation already in Crown ownership.

Mr. Greg Knight asked the Secretary of State for the Environment what was the total cost of refurbishment of property in Pocklingtons walk, Leicester, to allow the same to be used as temporary Crown court accommodation.

Sir George Young: Excluding design costs, the total cost of refurbishment of the property at Pocklingtons walk, Leicester in 1975 and 1976 for use as temporary Crown court accommodation was £185,000.

Mr. Greg Knight asked the Secretary of State for the Environment what was the total cost of the acquisition of property in Pocklingtons walk, Leicester, for use as temporary Crown court accommodation.

Sir George Young: The total cost of the lease of the property at Pocklingtons walk, Leicester between 1975, and 1981 for use as temporary Crown court accommodation was £47,000.

Mr. Greg Knight asked the Secretary of State for the Environment how many buildings intended for use as Crown courts are planned to be constructed in each of the next 10 years; and if he will specify the area in which such building is planned and the individual estimated cost thereof.

Sir George Young: I shall write to my hon. Friend.

Mr. Greg Knight asked the Secretary of State for the Environment how many buildings intended for use as Crown courts are currently in the course of construction; and what is the estimated individual cost thereof.

Sir George Young: Including joint Crown court and county court schemes, 10 buildings for use in whole or in part for the Crown court are currently in construction. The estimated costs of these buildings, including the cost of site acquisition, are as follows:

	£ million
Birmingham	7·5
Guildford	4·9
Isleworth	3·0
Manchester (Crown and County Courts)	11·9
Nottingham	5·0
Oxford (Crown and County Courts)	5·9
Peterborough (Crown and County Courts)	3·5
Salisbury	1·8
Southampton (Crown and County Courts)	5·7
Swindon (Crown and County Courts)	2·9

Clayton Square, Liverpool

Mr. Steen asked the Secretary of State for the Environment when he expects to announce his decision following the inquiry into compulsory purchase orders in respect of the Clayton square development in the centre of Liverpool; and if he will make a statement.

Mr. Macfarlane: My right hon. Friend hopes to announce his decision on the Clayton square compulsory purchase order and associated matters very soon.

Rates

Dr. Twinn asked the Secretary of State for the Environment when he will prescribe the information to be provided by rating authorities to domestic occupiers under section 15 of the Rates Act 1984.

Mr. Waldegrave: My right hon. Friend has today laid regulations before the House prescribing the information which rating authorities are required to provide to certain domestic occupiers under section 15 of the Rates Act 1984. I hope that this will result in a valuable improvement in the accountability of local authorities to all their ratepayers.

Telford (Library)

Mr. Hawksley asked the Secretary of State for the Environment whether he will consent to Telford development corporation making a contribution towards a new public library in Telford.

Sir George Young: In the light of the strong representations which we have received on this subject, my right hon. Friend has decided to give his consent under section 4(4) of the New Towns Act 1981 to a contribution of not more than £400,000 by Telford development corporation to Shropshire county council towards the capital cost of providing a new business and commercial library in Telford town centre.

Hazardous Installations

Mr. Wardell asked the Secretary of State for the Environment (1) if his Department will fund research estimating the effects of fires, explosions and the release of toxic substances on the surrounding population emanating from notifiable installations of major hazard;

(2) if his Department will fund research into fireballs from notifiable installations of major hazard;

(3) if his Department will fund research on vapour cloud explosions from notifiable installations of major hazards;

(4) if his Department will fund research on how a release of hazardous material is likely to occur from a notifiable installation and the formation of a gas cloud in close proximity to the point of escape;

(5) if his Department will fund research into factors affecting the emission of hazardous materials from notifiable installations including *(a)* the behaviour of flashing jets and an atmospheric entrainment into them, *(b)* the spread and evaporation of pools of cryogenic and non-cryogenic liquids on land and water and *(c)* the effectiveness of secondary containment such as bunds, ducts or catchment points on buildings.

Mr. Peter Bottomley: I have been asked to reply.

The Health and Safety Executive has always recognised the fundamental importance of research into aspects of risk from industrial processes. This has been endorsed by the three reports of the Health and Safety Commission's advisory committee on major hazards. A working group of the advisory committee specifically considered research needs and priorities.

Within the executive, the research and laboratory services division devotes a substantial proportion of resources to research into "major hazard" and "environmental" issues. The executive also funds extra mural research on major hazard issues. Total expenditure of RLSD in 1983-84 was £14·8 million, of which about a quarter is devoted to research project work. RLSD and other parts of the executive are deeply involved in large-scale trials (costing over £1·7 million) on heavy gas dispersion at Thorney island, a programme of work which is jointly supported by a large group of British and international sponsors.

The major hazards assessment unit of HSE also has a contractual arrangement with the safety and reliability directorate of the United Kingdom Atomic Energy Authority which includes research into certain aspects of risk associated with major hazards. All the aspects of research listed in the questions are, or will be, covered by current or planned research efforts which are continually under review as further information arises.

The results of this research are widely available and will form an important input into the work arising from the recently introduced Control of Industrial Major Accident Hazard Regulations.

Related research work is also carried out by industry, and the executive is also deeply involved in such research as part of the research programme of the European Community.

OVERSEAS DEVELOPMENT

Crown Agents Premises, Millbank

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs what consultations he has had with the Crown Agents concerning its proposed disposal of its Millbank headquarters building.

Mr. Raison: I informed the House on 23 February 1984 at column *991* that the Board of the Crown Agents intended to sell its offices in Millbank. The offices were put on the market in the normal way and Crown Agents kept my Department informed on developments leading to acceptance of the offer made by Raleigh Enterprises Ltd.

FOREIGN AND COMMONWEALTH AFFAIRS

Overseas Visits

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the countries he intends to visit in the next six months.

Sir Geoffrey Howe: I have firm plans to visit Belgium, Bulgaria, the Federal Republic of Germany, Italy, Luxembourg, France, Portugal, Romania, Switzerland and Turkey. Some of these visits are for bilateral purposes. Others are on multilateral business. I also have certain other visits in mind for which the plans are not yet firm.

Embassies

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will give the average costs of running an embassy *(a)* in Europe, *(b)* in Asia, *(c)* in Africa and *(d)* in North and South America; and if he will break down the figures involved.

Mr. Renton: In the financial year 1983-84 the costs of the embassies and high commissions concerned were as follows:

	Salaries and allowances	Other allowances and payments to United Kingdom staff	Local staff expenditures	Travel costs	Accommodation	Transport	Communications	Miscellaneous	Total expenditure
Europe									
Total	13,208,943	1,309,590	7,497,361	1,532,768	8,475,831	398,547	4,859,803	728,886	38,011,729
Highest cost post (Paris)	1,557,489	214,134	1,107,877	65,638	1,081,844	33,495	570,744	109,957	4,741,178
Lowest cost post (Reykjavik)	86,635	3,100	32,065	5,015	10,272	2,233	23,455	1,776	164,551
Arithmetic mean	471,747	46,771	267,763	54,742	302,708	14,234	173,564	26,032	1,357,561
Asia									
Total	12,655,910	1,746,143	7,263,310	4,689,514	12,210,992	591,114	4,386,571	706,319	44,249,873
Highest cost post (Tokyo)	1,194,592	198,231	1,223,414	269,322	1,592,682	22,330	328,373	74,034	4,902,978
Lowest cost post (Vientiane)	52,295	1,895	9,654	24,420	12,530	4,466	15,637	1,067	121,964
Arithmetic mean	372,233	51,357	213,627	137,927	359,146	17,386	129,017	20,774	1,301,467
Africa									
Total	8,536,387	638,440	2,586,429	2,748,881	3,494,818	436,549	3,042,428	487,267	21,971,199
Highest cost post (Lagos)	1,075,574	61,185	311,708	314,858	367,413	42,427	321,245	82,022	2,576,432
Lowest cost (Brazzaville)	12,890	24,718	1,923	7,046	9,755	2,233	7,818	512	66,895
Arithmetic mean	251,070	18,778	76,071	80,849	102,789	12,840	89,483	14,332	646,212
North and South America									
Total	6,900,145	981,009	4,267,351	2,548,658	7,523,971	228,993	2,533,251	705,020	25,688,398
Highest cost post (Washington)	2,349,845	478,514	1,549,678	577,814	4,290,871	42,427	844,407	369,276	10,502,832
Lowest cost post (Santo Domingo)	67,000	5,198	34,774	17,369	27,157	4,466	15,637	1,317	172,918
Arithmetic mean	287,506	40,875	177,806	106,194	313,499	9,542	105,552	29,376	1,070,350

Ugandan Asians (Compensation)

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he plans to meet the President of Uganda to discuss compensation for Asians now resident in the United Kingdom.

Mr. Renton: We are regularly in touch with the Uganda Government about these claims. Our High Commissioner in Kampala last discussed them with the responsible Uganda Minister on 9 January. Some progress has been made. The Uganda Government have told us that over 50 claims have been settled. Our High Commissioner expressed our strong concern that outstanding claims should be dealt with as quickly as possible.

Law of the Sea

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what consultations he has had with the Bonn Government about a European Economic Community policy towards the law of the sea treaty.

Sir Geoffrey Howe: We have frequent discussions with the Government of the Federal Republic of Germany, as with those of other Member States of the EC, on many aspects, including Community aspects, of the law of the sea as well as the UN Law of the Sea Convention. These consultations are confidential.

Women (Discrimination)

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs whether any decision has yet been taken on ratification of the United Nations convention on the elimination of all forms of discrimination against women.

Mr. Renton: We are still considering this convention in the light of our existing legislation and hope to be in a position to make an announcment about ratification soon.

Women's Rights (Conference)

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs whether any decision has yet been made as to who will represent the United Kingdom at the United Nations conference on women's rights in Nairobi in 1985.

Mr. Renton: I have nothing to add to the answer I gave to my hon. Friend on 12 December 1984 at column *522*.

Falkland Islands (Exploration Grants)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what protest has been received from Argentina about exploration grants in the Falklands given to Firstland Oil and Gas; and what reply he has sent.

Mr. Renton: We have received no communications from the Argentine Government. A letter from the Argentine permanent mission to the Secretary General of the United Nations on Falklands oil exploration has been circulated to all members of the United Nations and we are considering our response to it.

Vietnamese Refugees (Hong Kong)

Mr. Wilson asked the Secretary of State for Foreign and Commonwealth Affairs how many Vietnamese refugees are held in open and closed camps, respectively, in Hong Kong; what is the average length of time and the longest period, respectively, that refugees have been kept in closed camps under penal supervision; what effort has been made to settle refuges in other countries and to unite families; and if he will make a statement.

Mr. Renton: A total of 5,899 Vietnamese refugees are currently accommodated in open centres, and 6,018 in closed centres in Hong Kong. Those in closed centres are not under "penal supervision". The average length of stay in a closed centre is 17 months, and the longest stay so far is 30 months. We maintain a continuing dialogue with the United Nations High Commissioner for Refugees and other countries in order to find permanent solutions for all

the refugees who are at present in Hong Kong. We are most concerned about this problem and will continue to make every effort to solve it.

Mr. Wilson asked the Secretary of State for Foreign and Commonwealth Affairs what review of Government policy on Vietnamese refugees in Hong Kong has taken place since the treaty with China over the future of the colony; and if he will indicate the steps which have been taken under the treaty to safeguard the interests of stateless persons and political refugees.

Mr. Renton: Our policy on Vietnamese refugees in Hong Kong is kept under constant review. In the case of Vietnamese refugees the relevant legislation is the Hong Kong Immigration Ordinance, which contains a special provision under which Vietnamese refugees may be allowed to remain in Hong Kong pending their resettlement elsewhere. Under the terms of the agreement on the future of Hong Kong the ordinance, unless amended, or unless it conflicts with the basic law, will remain in force after 30 June 1997. The Agreement also provides that the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong shall remain in force.

WALES

Education Projects

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report* the publication date for education projects B6, B7, B8 and B9, financed by his Department.

Mr. Wyn Roberts: The main reports of the assessment of performance unit to date have been published as follows:

Education Projects B6, B7, B8 and B9

English Language	Primary	No. 1 September 1981	No. 2 September 1982	3rd Report May 1984
	Secondary	No. 1 March 1982	No. 2 January 1983	
Mathematics	Primary	No. 1 January 1980	No. 2 June 1981	No. 3 May 1982
	Secondary	No. 1 September 1980	No. 2 December 1981	No. 3 December 1982
Science	Age 11	No. 1 December 1981	No. 2 September 1983	No. 3 May 1984
	Age 13	No. 1 September 1982	No. 2 March 1984	
	Age 15	No. 1 December 1982	No. 2 April 1984	

A report on Project B9 was published in 1983.

Behaviour and Learning Problems

Mr. Gareth Wardell asked the Secretary of State for Wales if he will give the publication date of the B5 project, financed by the Welsh Office on behaviour and learning problems in South Wales schools.

Mr. Wyn Roberts: No date has been decided.

Labour Statistics

Mr. Gareth Wardell asked the Secretary of State for Wales how many persons were *(a)* registered as unemployed, *(b)* registered as unemployed for more than one year and *(c)* registered as unemployed for more than two years for each of the counties in Wales in January of each year since 1979.

Mr. Nicholas Edwards: This information is available in the House of Commons Library.

Field Monument Wardens

Mr. D. E. Thomas asked the Secretary of State for Wales (1) why no reference to the Welsh language was included in the list of qualifications required for the posts of field monument wardens in Wales;

(2) what steps he has taken to ensure that candidates for the six posts of field monument wardens in Wales possess a good command of the Welsh language.

Mr. Nicholas Edwards: It is not essential for field monument wardens to be able to speak Welsh although it would be an advantage for those based in the predominantly Welsh speaking areas, given the nature of the duties involved. This factor will fully be taken into account in selecting candidates for appointment.

Departmental Appointments

Mr. D. E. Thomas asked the Secretary of State for Wales if he will ensure that the linguistic situation in Wales is taken into consideration when appointments to his Department are made; and if he will make a statement.

Mr. Nicholas Edwards: Yes. The guiding principle with appointments to posts in all parts of the Civil Service is that the best available candidate should be selected. This is, however in no way inconsistent with giving appropriate weight in the selection process to ability to speak Welsh in cases where this would be an advantage in undertaking the duties of the post concerned taking account of the linguistic situation in Wales.

Exercise Brave Defender

Mr. D. E. Thomas asked the Secretary of State for Wales what contribution his Department and the various bodies in Wales for which he has responsibility will be making to Exercise Brave Defender.

Mr. Nicholas Edwards: None.

Notifiable Installations

Mr. Gareth Wardell asked the Secretary of State for Wales (1) if he is satisfied that people living near to notifiable installations of major hazards are adequately informed of the nature of the hazards which might affect them if control measures fail;

(2) if he is satisfied that people living near to notifiable installations of major hazards are adequately informed of what they should do in a major incident;

(3) if he is satisfied that people living near to notifiable installations of major hazards are adequately informed of the emergency arrangements which have been made in advance.

Mr. Peter Bottomley: I have been asked to reply.

Under the Control of Industrial Major Accident Hazards Regulations, those people in the vicinity of installations where there is the greatest risk of a major accident must be informed by 1 January 1986 of the nature of the activity taking place, its associated hazards and what to do in an emergency.

Local emergency planning procedures have operated for some time, but the Government regard the new legislative arrangements as an important plank in the statutory framework for dealing with the consequences of industrial accidents. While there can be no complacency about the risk of major accidents, the arrangements are in line with the recommendations made by the Health and Safety Commission's Advisory Committee on Major Hazards in its various reports and will be subject to review. To this extent, the present position is regarded as satisfactory. It will be kept under review.

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report* a list of those liaison committees that exist for notifiable installations of major hazards.

Mr. Peter Bottomley: I have been asked to reply. As there is no statutory requirement for liaison committees to be established the information requested is not available.

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report*, for the most recent available date, for each local authority area in Wales, the number of notifiable installations constituting a major hazard.

Mr. Peter Bottomley: I have been asked to reply.

By the end of December 1984 the numbers of installations notified to the Health and Safety Executive under the Notification of Installations Handling Hazardous Substances Regulations 1982 for each county in Wales were as follows:

	Number
Clwyd	13
Dyfedd	14
Gwent	18
Gwynedd	10
Mid-Glamorgan	16
Powys	4
West-Glamorgan	23

Local Authority Expenditure

Mr. Allan Rogers asked the Secretary of State for Wales if he will give details of the capital expenditure by each of the Welsh county councils for each of the last five years, since 1979, shown separately under the following heads: education, social services, highways and transportation, fire services, environment and economic development.

Mr. Nicolas Edwards [*pursuant to his reply*, 14 January 1985, c. *24*.]: The information is as follows:

Capital Expenditure by Welsh County Councils

£ thousand

	Clwyd	*Dyfed*	*Gwent*	*Gwynedd*	*Mid Glamorgan*	*Powys*	*South Glamorgan*	*West Glamorgan*
1979-80								
Education	4,349	2,456	4,416	1,381	5,520	2,325	2,326	1,977
Personal Social Services	600	808	857	698	1,071	673	413	345
Transport	6,569	2,691	4,918	3,762	8,797	3,369	7,657	2,938
Fire	143	179	412	88	405	125	76	19
Other (non-Home Office) Services*	545	889	1,228	488	2,434	205	1,692	3,345
TOTAL	12,205	7,023	11,831	6,418	18,227	6,697	12,164	8,624
1980-81								
Education	5,599	3,037	6,581	2,683	8,065	2,936	2,860	5,270
Personal Social Services	616	1,009	939	390	1,505	746	311	246
Transport	3,852	3,540	8,311	3,290	7,140	3,576	14,244	2,362
Fire	116	28	360	249	328	82	63	26
Other (non-Home Office) Services*	1,586	456	1,272	491	1,790	361	2,778	2,002
TOTAL	11,769	8,070	17,463	7,102	18,829	7,700	20,256	9,906
1981-82								
Education	5,555	2,821	4,892	2,405	7,828	2,405	2,143	4,459
Personal Social Services	307	1,483	794	199	945	460	345	177
Transport	3,882	4,463	13,118	3,355	5,555	2,390	13,452	2,207
Fire	71	121	201	191	174	66	54	23
Other (non-Home Office) Services*	894	752	2,254	672	1,553	190	734	6,763
TOTAL	10,709	9,640	21,259	6,822	16,055	5,510	16,728	13,619
1982-83								
Education	5,824	4,255	5,310	1,405	7,316	2,361	3,911	5,223
Personal Social Services	571	854	1,159	178	900	205	668	654
Transport	3,682	6,714	22,144	4,562	7,827	2,644	13,875	4,192
Fire	253	215	683	98	524	131	338	76
Other (non-Home Office) Services*	1,726	1,221	4,300	5,337	4,539	246	1,123	5,505
TOTAL	12,056	13,259	33,595	11,580	21,105	5,586	19,915	15,649

	Clwyd	Dyfed	Gwent	Gwynedd	Mid Glamorgan	Powys	South Glamorgan	West Glamorgan
1983-84 (provisional)								
Education	5,514	4,555	6,756	1,755	7,761	3,075	3,192	4,426
Personal Social Services	1,140	969	675	380	683	191	641	857
Transport	5,927	5,609	15,084	4,038	7,538	2,846	13,901	4,644
Fire	235	204	501	117	531	127	206	167
Other (non-Home Office) Services*	2,662	1,439	3,034	1,948	3,562	353	2,506	2,534
TOTAL	15,478	12,776	26,051	8,238	20,075	6,593	20,445	12,628

* Excluding expenditure on Home Office services.

NORTHERN IRELAND

Itinerants

Mr. John David Taylor asked the Secretary of State for Northern Ireland (1) what is the present estimate of the number of itinerants in Northern Ireland;

(2) what is the estimated percentage of itinerants in Northern Ireland who were born in the Republic of Ireland.

Mr. Chris Patten: At the last count made in June 1984 there were some 680 itinerant men, women and children in Northern Ireland. Of these, it is estimated that 28 per cent. were born in the Republic of Ireland, the majority having resided in Northern Ireland for more than 16 years.

Students (Dental Treatment)

Rev. Martin Smyth asked the Secretary of State for Northern Ireland how many students over 18 years of age apply for dental treatment, for dentures or for alterations or additions to dentures; how many claim for exemption on grounds of low income; how many such applications are granted; and what is *(a)* the cost of collecting fees from such students and *(b)* the administrative cost of processing all the claims.

Mr. Chris Patten: The information is not available.

SOCIAL SERVICES

Food Purchases (Medical Aspects)

Q100. **Mr. Cohen** asked the Secretary of State for Social Services if he will make it his policy that all Government purchases of food are in accordance with the recommendations of the Committee on the Medical Aspects of Food.

Mr. John Patten: The recommendations from the Chief Medical Officer's committee on medical aspects of food policy are concerned with nutrient intake. My right hon. Friend has asked the British Nutrition Foundation and the Health Education Council that their joint advisory committee on nutrition education turn the COMA advice as soon as possible into practical guidelines. When these appear they will be brought to the attention of all government and public bodies which have a responsibility for catering and dietetics.

Solihull Hospital

Mr. John M. Taylor asked the Secretary of State for Social Services if he has any plans to visit Solihull hospital.

Mr. John Patten: My hon. Friend will be aware that a scheme to develop Solihull hospital at a cost of £22 million at current prices is scheduled to start in late 1988. We have no plans to visit the hospital at present.

Departmental Staff (Blind Persons)

Mr. Butterfill asked the Secretary of State for Social Services how many registered blind people have been employed in his Department for each of the last four years.

Mr. Newton: The information is not available centrally.

Invalidity Benefit

Mrs. Beckett asked the Secretary of State for Social Services what are the latest available figures for *(a)* the total number of invalidity pensioners, *(b)* how many invalidity pensioners are also in receipt of supplementary benefit, *(c)* the estimated savings resulting from the move to pay invalidity benefit fortnightly in arrears and *(d)* the estimated net cost, or saving of each of the proposed changes to invalidity benefit, namely, the restoration of the abatement and the restriction on the entitlement, of both invalidity allowance and the earnings-related component.

Mr. Newton: *(a)* The total number of invalidity pensioners as at 2 April 1983, the latest date for which information is available, was 737,000. *(b)* The total number of invalidity pensioners receiving supplementary benefit as at 9 December 1982, the latest date for which information is available, was 27,000*. *(c)* Details of the savings from paying invalidity pensioners fortnightly in arrears have yet to be finalised. *(d)* The net cost in a full year in 1985-86 terms of restoring the abatement of invalidity benefit is estimated to be £60 million. The net savings in a full year in 1985-86 terms of the restriction on entitlement to both invalidity allowance and additional component are estimated at £25 million allowing for transitional protection for existing beneficiaries.

* *Invalidity Trap:* Changes to the qualifying rules for supplementary benefit in May 1983 benefited an estimated 25,000 sick and disabled people aged 60 or over. Further changes in November 1983 completely removed the trap, helping an estimated further 30,000 to qualify for supplementary benefit. I regret that precise information on how many took advantage of the changes is not available.

Alcohol Abuse

Mrs. Renée Short asked the Secretary of State for Social Services how many premature deaths due to alcohol consumption or accidents associated with alcohol abuse have occurred in 1984; and how these figures compare with those in 1980 and in each year since 1980.

Mr. John Patten: The requested information is not available centrally but the hon. Member may find the information in the table helpful. Deaths from motor vehicle accidents are not shown in the table but it is estimated that about one road death in five (ie about 1,000

a year in England and Wales) occurs in accidents where at least one person had consumed alcohol over the legal limit.

England and Wales — *Number of deaths*

Cause of death	*ICD* number*	*1980*	*1981†*	*1982*	*1983*	*1984‡*
Diseases specifically associated with alcohol consumption:						
Alcoholic psychosis	291	1	3	1	2	3
Alcohol dependence syndrome	303	111	98	87	99	54
Non-dependent abuse of alcohol	305·0	102	100	123	104	63
Chronic liver disease and cirrhosis, alcohol reported as cause	571·0 571·3	745	791	807	887	446
Chronic liver disease and cirrhosis, alcohol not specifically reported as cause	571·4 571·9	1,473	1,421	1,345	1,297	676
Accidental deaths with any mention of alcohol (excluding road traffic accidents)		415	260	391	387	N/A

* International Classification of Diseases, 9th Revision.

† Industrial action by registration officers in 1981 meant that some of the information normally requested to aid coding by cause of death was unavailable. In addition information normally supplied by coroners was not available.

‡ First two quarters only.

[These deaths are included in the table as some of them are thought to be associated with excessive drinking.

Statutory Sick Pay Scheme

Mr. Frank Field asked the Secretary of State for Social Services if he will place in the Library the evidence he has collected on the attitude of employers towards the statutory sick pay scheme.

Mr. Newton: There have been some independent reports of employers' reactions to the statutory sick pay scheme, such as that by Income Data Services Ltd which the hon. Member may already have seen. In addition, the Department receives feedback through its frequent contacts with employers and their representatives. More recently we have issued a consultative document on the proposed changes to the scheme, on which we are awaiting comments. This has been placed in the Library.

The social security policy inspectorate are completing an inquiry into statutory sick pay and I hope to be able to place their report in the Library next week. The emerging conclusions from the report suggest that a significant majority of employees preferred statutory sick pay to sickness benefit. Statutory sick pay is regarded as more convenient and most employees preferred to receive their benefit from their employer, but about 40 per cent. of the employees interviewed thought that more information should be provided about the scheme.

Correspondence

Mr. Forrester asked the Secretary of State for Social Services if he is now in a position to reply to the correspondence from the hon. Member for Stoke-on-Trent, North sent on 8 March concerning mobility allowance for the late husband of Mrs. Barbara Mosedale of 2 Fielden Close, Norton, Stoke-on-Trent.

Mr. Newton: I have written to the hon. Member, and regret the delay which has occurred.

Cost Rent Scheme

Dr. Owen asked the Secretary of State for Social Services (1) if he will estimate the effect of the extension of the value added tax to building alterations and extensions on the cost rent scheme facility for general practitioners;

(2) why it is not possible to include value added tax in the schedules of the cost rent scheme facility for general practitioners;

(3) if he will increase the limits of the cost rent scheme for general practitioners in order to accommodate the effect of putting value added tax on building alterations and extensions.

Mr. Kenneth Clarke: We considered very carefully the question of increasing these cost allowances to take account of the imposition of VAT on building alterations and decided that the existing allowances should be made inclusive of VAT with effect from 1 June 1984. Taking the country as a whole, the cost rent scheme is already generous and faced with competing demands for resources within the NHS we have to consider where our priorities should lie. We have agreed that VAT may be added to the existing cost limits for those doctors who undertook to modify their surgery premises before the imposition of VAT was announced on 13 March 1984, but we can see no compelling reason otherwise to increase the cost limits to cover a change in taxation. These arrangements will however be kept under review.

The effect of these developments on the cost rent scheme cannot be predicted with any confidence. They may lead some doctors either to modify projects so that building costs and VAT can be met within the existing cost limits or to make less substantial alterations to their surgery premises under the improvement grant scheme.

Infant Mortality

Mr. Gareth Wardell asked the Secretary of State for Social Services if he will publish in the *Official Report* the infant mortality rate per 1,000 live births in *(a)* England, *(b)* Japan, *(c)* France, *(d)* Finland and *(e)* Sweden for the years 1980, 1982 and 1984, respectively.

Mr. John Patten: The information is not available for 1984. The figures for 1980 and 1982 are shown in the table:

Infant Mortality Rates for Selected Countries, 1980 and 1982

	Infant mortality rates per 1,000 live births Year	
Country	*1980*	*1982*
England	12·0	10·8
Japan	7·5	6·6
France	9·8	9·5
Finland	7·6	6·0
Sweden	6·9	6·8

Great care should be taken in comparing the figures for different countries as there may be differences in the definitions of infants at risk.

Poverty

Mr. Deakins asked the Secretary of State for Social Services what definition of poverty is used in the European Economic Community programme to combat poverty.

Mr. Whitney: For the purposes of the Council decision on specific Community action to combat poverty

> "the poor are taken to mean persons, families and groups of persons whose resources (material, cultural and social) are so limited as to exclude them from the minimum acceptable way of life in the Member States in which they live"

(Article 1.2 of Council document 85/8EEC).

Efficiency Incentive Payments

Mr. Home Robertson asked the Secretary of State for Social Services what was the total value of efficiency incentive payments made to offices in his Department in 1984; if he will list the categories of savings which qualified for such incentives; and if he will list the offices to which such payments were awarded, showing the amount of the payment and the use to which it was put in each office under the following categories: office parties, staff outings and social purposes, purchases of equipment, purchases of vouchers for use by staff and donations to charities.

Mr. Whitney: The Department's efficiency incentive scheme achieved administrative savings of £121,036. During the financial year 1983-84 in the following categories; telecommunications, office supplies and equipment, postage, travelling expenses, office works and services and improvements in administrative procedures.

Awards totalling £28,073.36 were made to the offices listed:

Office	*Award £*
Wales and South West	
Merthyr Tydfil	557·76
Rhyl	719·11
Porthmadog and Dolgellau	158·31
Colwyn Bay	242·36
Barry	101·46
Aberdare	100·00
Anglesey	38·68
Cardiff West	40·31
Caernarfon	104·81
Bargoed	236·88
Bridgewater	607·95
Launceston	18·32
Torbay	71·11
Taunton	42·68
Yeovil	67·64
Plymouth	1,838·83
Winterbourne	392·50
Ilford Park	75·02
North East Region	
Bradford East	51·61
Bradford West	551·87
Dewsbury	301·59
Skipton	109·86
Bradford South	282·69
Leeds North	5·62
Castleford AO	25·34
Halifax	1,714·38
Leeds West	139·21
London North	
Bedford	263·00
Edgware	373·00
Hemel Hempstead	211·00
Hendon	160·00
Leytonstone	192·00
Luton	678·00
Stoke Newington	394·00
Uxbridge	372·00
Diss AO	62·00
Diss NIO	137·00
Norwich Mountergate	762·00
Stepney AO	248·00
Stepney NIO	2·00
Barking	517·00
Basildon	1,004·00
Canning Town	30·00
Chelmsford	854·00
Euston	248·00
Grays	361·00
Hornchurch	38·00
Plaistow	313·00
Scotland	
Arbroath	1·00
Cowdenbeath	503·27
Dundee	94·66
Elgin	235·81
Fraserburgh	9·20
Leven	28·39
Glasgow Provan	607·25
Hamilton	188·50
Shotts	315·66
Perth	56·33
Peterhead	7·01
Wick	33·25
Bellshill	21·75
Glasgow	7·50
North West	
Hyde	333·47
Stockport South	22·49
Openshaw	28·51
London South	
Bloomsbury	216·00
Newbury	225·00
Crawley	1,678·00

Office	Award £
Greenwich	215·00
Lewisham	1,582·00
Peckham	60·00
Thames South	735·00
Midlands	
Cannock	147·59
Dudley North	68·89
Dudley South	99·55
Lichfield	103·05
Smethwick	201·45
Stafford	28·35
Telford	151·76
Walsall East	228·28
Walsall West	680·39
West Bromwich	482·97
Wolverhampton North	589·22
Leicester Burley's Way	950·53
Leamington Spa	94·20
Coventry East	185·20
Nuneaton	413·64
Leicester Lower Hill St.	138·50
Corby	37·91
Northampton	14·91

Information is not available on how individual offices disposed of awards and it could be obtained only at disproportionate cost. It is known however that the majority of funds were donated to local office sports and social club funds to be used for the benefit of the staff.

The Department also operates an incentive scheme which rewarded good or improved overall performance in local offices; bonus payments of £139,513·88 were made during 1984.

National Health Service (Contracts)

Mr. Beggs asked the Secretary of State for Social Services what has been the total value of National Health Service contracts for each of the years 1978 to 1984 on (a) intravenous infusion fluids, (b) irrigation fluids, (c) topical fluids and (d) introperitoneal dialysis fluids.

Mr. Kenneth Clarke: The information requested is not available. Arrangements for the supply of these fluids are made by health authorities and we do not collect detailed local information centrally.

Abortion

Ms. Richardson asked the Secretary of State for Social Services which district and regional health authorities had agency agreements for abortions in 1983 and 1984.

Mr. Kenneth Clarke: We do not collect this information.

Secure Places

Mr. Sims asked the Secretary of State for Social Services how many secure places for boys under 17 years of age are available in England and Wales; and what has been the average rate of occupancy during the most convenient recent 12 month period.

Mr. John Patten: Secure accommodation is generally available for young people up to the age of 18 years. On 1 January 1985 there were 362 approved secure places in the community homes system in England and Wales of which 162 were for boys and 141 for young people of either sex. Information about the average rate of occupancy is not currently available, but on 31 March 1984 there were 241 young people accommodated of whom 196 were boys. More comprehensive information from a new statistical return introduced on 1 April 1984 will be available in mid-1985.

Secure places are also available for young people of either sex at two youth treatment centres provided by the Department. On 1 January 1985 there were 58 such places, accommodating 37 boys and 8 girls.

Surrogate Motherhood

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he intends to introduce legislation dealing with surrogate motherhood during the current parliamentary Session.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply to my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on 14 January at column *63*.

Mr. Peter Bruinvels asked the Secretary of State for Social Services what information he has about the number of agencies arranging surrogate motherhood on a commercial basis in the United Kingdom.

Mr. Kenneth Clarke: We are aware of only one agency arranging surrogate pregnancies in this country, the Surrogate Parenting Centre of Great Britain.

Mr. Peter Bruinvels asked the Secretary of State for Social Services whether he has issued any guidelines to health authorities concerning the handling of cases involving surrogate motherhood.

Mr. Kenneth Clarke: No.

In Vitro Fertilisation

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he intends to introduce legislation dealing with in vitro fertilisation during the current parliamentary Session.

Mr. Kenneth Clarke: I refer my hon. Friend to my reply to my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on 14 January at column *63*.

AIDS

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will give a breakdown by month of notification of all new cases of acquired immune deficiency syndrome since the disease was first reported in the United Kingdom.

Mr. Kenneth Clarke: This information is collected centrally on a quarterly basis. The information is as follows:

Quarterly period	1	2	3	4	Total
1979	—	—	—	1	1
1980	—	—	—	—	—
1981	1	—	—	4	5
1982	3	2	1	7	13
1983	3	4	4	4	15
1984	12	11	30	21	74
				Total	108

Mr. Nicholas Winterton asked the Secretary of State for Social Services how many of the current cases of

acquired immune deficiency syndrome are believed to have resulted from the use of blood donated by individuals who were carrying the disease.

Mr. Kenneth Clarke: Three cases have occured in patients with haemophilia who had been treated with blood products. No cases have resulted from blood transfusion itself.

Adult (Prescriptions)

Rev. Martin Smyth asked the Secretary of State for Social Services what steps he takes to ensure that medicines for the use of adults are not included on children's presciption forms to avoid incurring the relevant prescription charges.

Mr. Kenneth Clarke: Paragraph 36 of the terms of service for doctors requires a doctor to use a separate prescription form for each patient except where a doctor is prescribing in bulk for a school or institution. If a suspected breach of the terms of service were brought to the attention of the relevant family practitioner committee a doctor would be liable to proceedings under the service committee and tribunal regulations.

Attendance allowance

Mr. Alfred Morris asked the Secretary of State for Social Services if he will give, for the last 12-month period for which figures are available, the number of successful claimants for attendance allowance who received their order book; 1 to 4 weeks, 4 to 8 weeks, 8 to 12 weeks, 12 to 16 weeks, 16 to 20 weeks, 20 to 24 weeks, 24 to 28 weeks, 28 to 32 weeks, and more than 32 weeks after receipt of their claim.

Mr. Newton: At the first week in September 1984, the latest date for which figures are available, the average time taken to clear an attendance allowance claim from receipt to dispatch of an order book was 10 weeks. I regret that it is not possible to provide a detailed breakdown of this figure.

Member's Correspondence

Mr. Parry asked the Secretary of State for Social Services how long it takes on average for his Department to answer correspondence from hon. Members.

Mr. Fowler: It is not possible to give a realistic average, as the time taken to reply depends on whether it is necessary for the Department to seek local information about the particular case. Most letters, however, are replied to within four weeks

Special Investigation Branch (Dundee)

Mr. Wilson asked the Secretary of State for Social Services why the special investigation branch has been sent to Dundee on two occasions in the current year.

Mr. Whitney: Specialist claims control teams visit each local office on a cyclical basis as part of a planned programme. Within that programme, the Dundee, West office was visited in July-August 1984 and a visit to the Dundee, East office commenced on 7 January.

Pregnancies (Statistics)

Sir John Biggs-Davison asked the Secretary of State for Social Services if he will arrange for information on the numbers of pregnancies achieved each year by artificial insemination by donor and by in vitro fertilisation to be collected centrally by his Department.

Mr. Kenneth Clarke: I see limited practical value at present in the special collection of these statistics.

Prescription and Dental Charges

Mr. Deakins asked the Secretary of State for Social Services what are the average annual amounts paid by adults of working age in respect of *(a)* National Health Service dental charges and *(b)* National Health Service prescription charges.

Mr. Kenneth Clarke: It is estimated that the average annual amounts paid by adults of working age in 1983 in respect of dental charges was £4·72 and in respect of prescription charges was £3·42.

Limited List Prescribing

Mrs. Renée Short asked the Secretary of State for Social Services when he intends to meet the chairman of the British Medical Association to discuss his proposals about the limited list of drugs to be available under the National Health Service.

Mr. Kenneth Clarke: My right hon. Friend and I have met the chairman and members of the British Medical Association's general medical services committee on a number of occasions to discuss the limited list. The chairman of council of the British Medical Association has now also sought a meeting with us and this will be arranged as soon as possible.

Stillborn Babies

Mrs. Renée Short asked the Secretary of State for Social Services what plans he has to give parents the right to name a stillborn baby and for a specific place for a first name to be provided on the register of stillborn, the birth (stillbirth) certificate and the burial certificate.

Mr. John Patten: Recent instructions to registrars of births and deaths require them to ask parents attending for stillbirth registration whether they have chosen a name for their baby and whether they wish the name to be recorded in the stillbirth register.

Any name recorded is shown in the space numbered 1 in the register entry and is then copied onto the certificate of registration, the certificate for burial or cremation, and on any certified copy issued.

Invalid Care Allowance

Mr. Hannam asked the Secretary of State for Social Services what is the most recent estimated cost of extending invalid care allowance to married and cohabitating women; and if he will make a statement.

Mr. Newton: We estimate that the net cost of extending invalid care allowance to married women at November 1984 rates would be about £85 million a year. We have no present plans to do so.

Family Practitioner Committees

Mr. Dobson asked the Secretary of State for Social Services if he will publish a list of family practitioner committees and the district health authorities to which they each relate.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Spectacles

Mr. Meacher asked the Secretary of State for Social Services what special provisions he intends to make to reduce the cost of spectacles for cataract sufferers who require high powered complex lenses.

Mr. Kenneth Clarke: The Government's policy of encouraging great competition and choice has produced lower prices across the whole range of private spectacles.

However, fears were expressed at the time of the ending of the opticians former monopoly that the cost of more powerful or complex lenses might rise. We did not accept these forecasts, but, as a form of reassurance to cataract sufferers and others who require certain of the more powerful or complex lenses currently supplied through the general ophthalmic services and who do not qualify for full or partial remission of charges, we intend to make special provisions to give them the option of obtaining them through the GOS at charges which reflect the cost of the lenses and their dispensing. We are consulting interested bodies on this and other proposed arrangements for future general ophthalmic services.

Cancer (Cumbria)

Mr. Foulkes asked the Secretary of State for Social Services if he will retabulate the wards in table 2.18 of the Black report, ranking them by probability using a Poisson distribution, and identify those wards on the Cumbrian coast; and if he will make a statement on the differences in ranking obtained by using probability and not rate of incidence as used in table 2.18 of the Black report.

Mr. Kenneth Clarke: No. The Poisson probability is set against the wards listed in both tables 2.18 and 2.19 in the report of the independent advisory group chaired by Sir Douglas Black.

Ranking by incidence lists first those wards where the proportion of children registered with cancer had been highest. Ranking by probability lists first those wards for which the difference between the observed rate for a ward and that for the region as a whole (or a greater difference) could most easily have arisen by chance. Both sets of statistics should be considered together. The difference is discussed in a letter published in "Nature" for 1 November 1984 by Dr. M. J. Gardner, a member of the independent advisory group.

I shall write to the hon. Member concerning the identity of the wards.

Benefits

Mr. Barry Jones asked the Secretary of State for Wales what is the total amount of benefit claimed by, and in respect of, unemployed 16 and 17-year-olds in Wales.

Mr. Whitney [*pursuant to the reply*, 14 January 1985, c. *27*]: I have been asked to reply.

I regret that a separate figure for Wales is not available.

EDUCATION AND SCIENCE

Clinical Research

Mr. Dalyell asked the Secretary of State for Education and Science whether he is satisfied with the level of funding of clinical research in hospitals.

Mr. Brooke: The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom. It is for the Council to decide on the distribution of the resources available to it between the various areas of medical research, including clinical research in hospitals. Clinical research is also supported by hospitals and universities, the latter using part of the funds allocated to them for teaching and research on the advice of the University Grants Committee.

I understand that, within the resources it has, the council wishes both to maintain its commitment to clinical research, taking into account the level of support available from universities and hospitals, and to invest in outstanding research opportunities which the council has identified.

Tropical Medicine Research

Mr. Dalyell asked the Secretary of State for Education and Science whether he is satisfied with the level of funding of tropical medicine research; and what conveniently available figures he has for the funding of tropical medicine research from 1978 to 1984.

Mr. Brooke: The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom. I understand that the expenditure by the council in the field of tropical medicine research between 1978 and 1984, including both grant-in-aid funds and funds provided by, and administered on behalf of, my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs, was as follows:

Financial Year	*£000 (cash)*
1978-79	3,692
1979-80	4,847
1980-81	5,878
1981-82	6,718
1982-83	7,618
1983-84	8,388
1984-85	N/A
	See below

It is for the council to decide on the distribution of the resources available to it between research in the various areas of medical science, including tropical medicine research. I understand that the reduction in the recurrent expenses budgets of the council's units for 1984-85, which was implemented early in the present financial year, affected the units engaged in tropical medicine research equally with MRC's other units.

Tropical medicine research is also supported by universities and medical schools using funds allocated for teaching and research on the advice of the University Grants Committee. No figures are available. The voluntary charities also fund valuable work in this area.

University Grants Committee (Tenure)

Mr. Freud asked the Secretary of State for Education and Science whether he will publish the advice given by the University Grants Committee on tenure, or deposit a copy of the advice in the Library.

Mr. Brooke: The UGC's advice on tenure and related matters will be published next week, and copies will be placed in the Library.

No-area Pooling System

Mr. Freud asked the Secretary of State for Education and Science whether he will list the amounts paid to each local education authority in respect of the no-area pooling system in each year since 1980 and the total cost of the system in each of these years.

Mr. Dunn: I shall let the hon. Member have a reply as soon as possible.

Mr. Freud asked the Secretary of State for Education and Science how many local education authority claims for money under the no-area pooling system have been refused, or amended in each of the last five years; and if he will make a statement.

Mr. Dunn: Claims are now certified as correct by the chief financial officer of each authority. The Department makes only arithmetical checks upon them. For years up to 1981-82 claims were examined by the district auditor; any amendments to them were made by the auditor and the Department was not usually aware of them. The secretariat of the pooling committee gives advice to authorities on request about which items would properly fall to be claimed under the regulations.

Mr. Freud asked the Secretary of State for Education and Science whether he will list the amount payable per traveller child per year under the no-area pooling system for each year since 1980 *(a)* in respect of primary education and *(b)* in respct of secondary education.

Mr. Dunn: The rates at which local education authorities can pool their tuition costs for travelling pupils in ordinary classes are as follows:

(£ per annum)

	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Primary	644	744	778	806	865
Secondary—under 16	874	1,004	1,026	1,105	1,163
Secondary—over 16	1,403	1,623	1,606	1,673	1,765

Where special provision is made, 75 per cent. of actual costs may be pooled if this is greater than the preceding figures.

Mr. Freud asked the Secretary of State for Education and Science what is the projected budget for the no-area pooling system for the academic year 1985-86; and if he will break this budget down into its constituent parts.

Mr. Dunn: The estimated pool claims of English local education authorities in 1985-86 for the education of no-area pupils are as follows:

	£ million (cash)
Tuition costs—primary, middle, secondary and further education	13·7
Tuition costs—nursery, special and adult	2·0
All costs of travelling pupils and refugees	3·9
All other costs	2·2
TOTAL	21·8

Mr. Freud asked the Secretary of State for Education and Science how he satisfies himself that the money paid to local education authorities under the no-area pooling system has been spent on enhancing the education of travellers' children.

Mr. Dunn: Advice from the secretariat of the pooling committee combined with the normal local authority audit procedures are aimed at ensuring that all the items claimed properly fall to be claimed under the Regulations.

The advice of Her Majesty's Inspectorate, based on surveys of provision for traveller pupils conducted in 14 authorities over recent years, is that the no-area pool has been instrumental in encouraging some authorities to launch important initiatives aimed at meeting the particular educational needs of traveller children.

Mr. Freud asked the Secretary of State for Education and Science whether he is satisfied that the no-area pooling system encourages the integration of travellers's children; and if he will make a statement.

Mr. Dunn: Local education authorities may seek reimbursement from the no-area pool in respect of all kinds of provision made for the education of travellers' children. The pooling arrangements neither encourage nor militate against the integration of such children into the mainstream classroom.

School Curriculum

Mr. Viggers asked the Secretary of State for Education and Science if, in view of the fact that the subject of classics in the school curriculum is not mentioned in his Department's discussion paper, "The Organisation and Content of the 5-16 Curriculum", he will clarify the answer of 17 December 1984, *Official Report*, column *10*, to the hon. Member for Gosport, in which it was said that the place of classics in the school curriculum was also raised in that discussion paper.

Mr. Dunn: I refer my hon. Friend to paragraph 21 of "The Organisation and Content of the 5-16 Curriculum", which refers to the place of classics in the context of foreign languages teaching in schools.

Teachers (Pay)

Mr. Greenway asked the Secretary of State for Education and Science if he will make a further statement on the talks on the structure of teachers' pay.

Sir Keith Joseph: At the last meeting of the Burnham salary structure working party on 5 December, the teachers' panel rejected the employers' proposals and withdrew from further discussion.

Written Answers to Questions

Friday 18 January 1985

NORTHERN IRELAND

Londonderry (District Council)

Mr. John David Taylor asked the Secretary of State for Northern Ireland whether he has yet made a decision about the future of local government in Londonderry city and district following the one-year-old boycott of the present district council by all its Unionist members; whether he has considered the appointment of a commission to replace the boycotted council; whether he has considered the suggestion of two district councils on either side of the River Foyle; and if he is yet in a position to make a statement which would contribute to a resolution of the present boycott and impasse.

Mr. Chris Patten: The absence of some members from meetings of Derry city council is regrettable, but the Government have no plans to interfere in the running of the council, which has continued to exercise its functions as prescribed by the Local Government Act (Northern Ireland) 1972.

The final recommendations of the Local Government Boundaries Commissioner, who reported in 1984, have been accepted without modification and given statutory effect. The commissioner did not recommend any alteration in the number or boundaries of local government districts in the area and it is not proposed to make any change in the number of local government districts.

WALES

Outgoers Scheme

Mr. D. E. Thomas asked the Secretary of State for Wales if he will make a statement on the criteria employed by his Department in selecting Welsh milk producers for the outgoers scheme.

Mr. Nicholas Edwards: Under the outgoers scheme priority is being given, in Wales as in England, to the smaller producer who depends mainly upon dairying for his basic income.

Mr. D. E. Thomas asked the Secretary of State for Wales what is the amount in million litres per full year of the offers so far made by Welsh milk producers under the outgoers scheme; what percentage of the quota for Wales this amount was; and how this amount relates to the planned targets in litres for Wales.

Mr. Nicholas Edwards: 100·7 million litres per year was provisionally offered by milk producers in Wales. The milk quota is set on an England and Wales basis at 12,843 million litres. The aim is to buy in 2·25 per cent. of this total, amounting to 288·98 million litres.

Mr. D. E. Thomas asked the Secretary of State for Wales how many producers in Wales have so far come forward under the outgoers compensation scheme for milk production.

Mr. Nicholas Edwards: Seven hundred and twelve.

Mr. D. E. Thomas asked the Secretary of State for Wales how many milk producers in Wales who came forward with offers under the outgoers scheme received first invitations; how many and on what basis, tranches of how many litres, received further invitations; and how many received the last batch of invitations.

Mr. Nicholas Edwards: The information is as follows:

Tranche	*Applicants in Wales*	*Size category litres*	*Quota million litres*
1	557	under 200,000	46·5
2	41	200,001-250,000	9·2
3	16	250,001-275,000	4·3
4	23	275,001-325,000	6·8

Heavy Lorries

Mr. Gareth Wardell asked the Secretary of State for Wales what are the latest readily available figures for the proportion of heavy lorries checked and found to be above the legal weight limit in *(a)* Wales and *(b)* each county in Wales.

Mrs. Chalker: I have been asked to reply.

The latest readily available figures are contained in the annual reports of the licensing authorities for the year ending 30 September 1983. They are as follows:

	Number
Vehicles checked	25,383
Vehicles weighed	4,660
Vehicles found to be overloaded	366

The figures cover the Principality. Separate figures for each Welsh county are not available.

HOME DEPARTMENT

Murder (Statistics)

Mr. Squire asked the Secretary of State for the Home Department if he will set out in a table a statistical analysis of the sentences passed on those found guilty of murder in each of the last five years.

Mr. Mellor: Information on all persons convicted of murder is published in table 4.8 of "Criminal Statistics, England and Wales, 1983" (Cmnd. 9349).

Mr. Squire asked the Secretary of State for the Home Department how many people have been charged with murder in each of the last five years.

Mr. Mellor: Information on the number of persons indicted for murder is published in table 4.7 of "Criminal Statistics, England and Wales, 1983" (Cmnd. 9349).

Mr. Squire asked the Secretary of State for the Home Department how many people have been found guilty of murder in each of the last five years; and, in each year, how many of those convicted had a family relationship with the deceased.

Mr. Mellor: The information available is summarised in the following table:

Persons found guilty of homicide by relationship to victim

	England and Wales				
	1979	*1980*	*1981*	*1982*	*1983**
Murder					
Family	35	28	39	34	37
Not family	134	111	125	127	63
Total	169	139	164	161	100
All offences of homicide					
Family	184	162	176	163	143
Not family	291	260	269	273	158
Total	475	422	445	436	301

* As at 1 June 1984; figures for 1983 are incomplete.

Drunkenness (Conviction Statistics)

Mr. Alex Carlile asked the Secretary of State for the Home Department how many convictions there were in each of the years 1981 to 1984 for offences involving drunkenness.

Mr. Mellor: The information requested was published in table 1 of the annual Home Office statistical bulletin on "Offences of Drunkenness" (issue 16/84), a copy of which is in the Library of the House. Information for 1984 is not yet available.

Manslaughter (Statistics)

Mr. Squire asked the Secretary of State for the Home Department how many people have been unlawfully killed in each of the last five years.

Mr. Mellor: Information on the number of offences initially and currently recorded by the police as homicide is published in table 4.1 of "Criminal Statistics, England and Wales, 1983" (Cmnd. 9349).

General Election (Proxy Votes)

Mr. J. Enoch Powell asked the Secretary of State for the Home Department if he can analyse the proxy votes cast at the last general election according to their respective qualification, such as service, merchant seamen, other employment, and so on.

Mr. Mellor: No. This information is not held centrally, and there is no obligation for the registration officer to record it.

Prisoners (Suicides)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if any of the 13 prisoners who committed suicide in penal establishments in 1983, and who were not under any form of special observation at that time, had been identified as a suicide risk.

Mr. Mellor: Of the 13 prisoners who were not under any form of special observation at the time of their suicide, six had papers marked with an "F" to denote a suicide risk. Following the report of Her Majesty's Chief Inspector of Prisons on suicides in prison, the "F" marking system is under review.

Drug Abuse

Mr. Rathbone asked the Secretary of State for the Home Department what conclusion he has reached following the close inspection undertaken by his Department of ways to dissuade people from drug misuse and abuse, referred to in his speech to the London Diplomatic Association on 14 December 1983.

Mr. Mellor: My right hon. and learned Friend the Minister for Health has since announced that the Government intend to launch a major education and prevention campaign directed at parents and young people. The ministerial group on the misuse of drugs is urgently considering the form of the campaign, taking into account information derived from market research commissioned by the Government.

Cable Authority

Mr. Neil Hamilton asked the Secretary of State for the Home Department how many individuals are employed by the Cable Authority; and what projections of the future employment needs of the authority exist.

Mr. Giles Shaw: The Cable Authority is responsible for setting its own staffing levels. The authority's intention is, I understand, to recruit about 15 staff. The authority this week announced, as a first step, the appointment of a director-general.

Departmental Staff

Mr. Terry Davis asked the Secretary of State for the Home Department how many civil servants were employed in P3 division in December 1984.

Mr. Mellor: On 31 December 1984 there were 59½ civil servants in post in P3 division, 13 in the division's category A section.

Unconvicted Prisoners

Mr. Terry Davis asked the Secretary of State for the Home Department how many unconvicted prisoners had been provisionally put in category A on 31 December 1984.

Mr. Mellor: As at 31 December 1984, there were 146 prisoners provisionally in category A.

Mr. Terry Davis asked the Secretary of State for the Home Department what arrangements are currently made for work by unconvicted prisoners who have been provisionally put in category A at Winson Green prison in Birmingham.

Mr. Mellor: No work is available for these prisoners.

PRIME MINISTER

Race Relations Act

Mr. Cohen asked the Prime Minister if she will review the list of public bodies which under section 75 of the Race Relations Act and Statutory Instrument No. 218, 1984, are exempt from the other provisions of the Race Relations Act; and if she will make a statement.

The Prime Minister: This list of bodies "prescribed" under section 75(5) of the Act is reviewed from time to time. Prescription does not authorise the bodies to discriminate in their employment policies other than to

restrict employment to those meeting the nationality requirements for the service of the Crown. These requirements are widely drawn to include not only British citizens but also Commonwealth citizens and citizens of the Irish Republic. Most states operate similar rules and our practice is probably more liberal than most in not restricting entry to British citizens and in applying the rules to a relatively small area of the public service as a whole.

Ombudsman (Administration)

Mr. Waller asked the Prime Minister if she will now seek to implement the recommendations of the Select Committee on the Parliamentary Commissioner for Administration by introducing amending legislation to bring personnel matters arising from employment in the public service within his jurisdiction.

The Prime Minister: No. I see no reason at present to depart from the view of successive Administrations that the commissioner was not established to investigate relations between the state as employer and its employees.

VE Day

Mr. Pawsey asked the Prime Minister how many representations have been received calling for a commemorative ceremony for the 40th anniversay of Victory in Europe Day.

The Prime Minister: Nine letters from Members of Parliament and members of the public have been received. In addition, I note that hon. Members have put down a number of early-day motions on this matter.

Mr. Pawsey asked the Prime Minister what information she has as to how France and the Benelux countries are celebrating the 40th anniversary of Victory in Europe Day.

The Prime Minister: The French Government will celebrate the 40th anniversary of the allied victory in Europe with ceremonies stressing the themes of peace and reconciliation. The Luxembourg Government envisage a small parade and the laying of wreaths at war cemetaries. I am not aware of any plans for an official commemoration by the Governments of Belgium or the Netherlands.

Mr. Pawsey asked the Prime Minister if Her Majesty's Government will make any funds available for a commemorative celebration of the 40th anniversary of Victory in Europe Day.

The Prime Minister: As I said in the House on 15 January, at column 180, we are considering the form of a national commemoration and will make an announcement in due course.

Nuclear Fuel (Reprocessing)

Mr. Deakins asked the Prime Minister what are the economics of reprocessing spent nuclear fuel in the United Kingdom; and what would be the impact on the civil and military nuclear programmes if such reprocessing were stopped.

The Prime Minister: The only thermal reactor fuel currently being reprocessed in the United Kingdom is that from Magnox power stations. Since none of the stations, except Wylfa, has stores capable of holding the fuel for more than a limited period, reprocessing is a technical necessity. Cessation would entail closing the Magnox power stations, with very significant costs to the electricity consumer. As far as oxide fuel is concerned, the timing of and commitment to reprocessing through the proposed THORP facility at Sellafield is a commercial matter for the CEGB and the SSEB.

Spent fuel from CEGB and SSEB reactors is not reprocessed for the defence programme.

Non-proliferation Treaty

Mr. Deakins asked the Prime Minister what will be the lead Department for the forthcoming review of the non-proliferation treaty; and if she is satisfied that the United Kingdom has adequately discharged all its obligations under that treaty.

The Prime Minister: The Foreign and Commonwealth Office will be the lead Department for the forthcoming review conference of the treaty on the non-proliferation of nuclear weapons. The United Kingdom continues to discharge all its obligations under that treaty.

Social Security Payments and Income Tax

Mr. Ralph Howell asked the Prime Minister what is *(a)* the average cost of social security payments in the United Kingdom per head of the working population and *(b)* the average amount of income tax paid in the United Kingdom per head of the working population.

The Prime Minister: The cost of social security payments in the United Kingdom was nearly £1,350 per head of the working population in 1983-84. Income tax receipts were about £1,150 per head of the working population in 1983-84.

Conservation

Mr. Dalyell asked the Prime Minister what action she has taken as a result of Mr. Max Nicholson's letter about the Scottish Office handling of conservation.

The Prime Minister: I wrote to Mr. Nicholson on 2 November 1984, when I told him that I am satisfied that the practice of my right hon. Friend the Secretary of State for Scotland in relation to conservation in general and licensing under the Wildlife and Countryside Act 1981 in particular takes full account of the legislation concerned and of the merits of each licensing case considered. This practice will be reviewed as circumstances change and will be varied, if necessary, to reflect these changes.

GCHQ, Cheltenham

Mr. Dalyell asked the Prime Minister if she will make a statement on the response to the letter of 21 December 1984 from Sir Robert Armstrong to the secretary of the Council of Civil Service Unions regarding union membership at GCHQ, Cheltenham.

The Prime Minister: The reply to the letter referred to by the hon. Gentleman was dated 16 January 1985, was received on 17 January and brought to my attention the same day, as requested by the secretary of the Council of Civil Service Unions.

Disabled Persons

Mr. Alfred Morris asked the Prime Minister if she will make a statement on progress concerning the proposed convention and recommendation on vocational rehabilitation and employment of disabled people and the proposd recommendation on the establishment of an international system for the maintenance of rights in social security, adopted at the international labour conference in June 1983.

The Prime Minister: Following consultations with the Confederation of British Industry and the Trades Union Congress and other interested parties, including the National Advisory Council on the Employment of Disabled People, the Government considered their position in relation to the instruments adopted at the 1983 international labour conference and decided to accept recommendation No. 168 concerning vocational rehabilitation but not to ratify convention No. 159 concerning vocational rehabilitation, nor to accept recommendation No. 167 concerning social security. This decision was announced by my right hon. Friend the Secretary of State for Employment by way of a White Paper (Cmnd. 9417) which was laid before Parliament on Friday 21 December 1984.

Broadcasting

Mr. Neil Hamilton asked the Prime Minister how many individuals are employed by the interdepartmental co-ordinating committee structure responsible for broadcasting matters.

The Prime Minister: I have nothing to add to my reply of 14 November 1984, at column *243*, to the hon. Member for Great Grimsby (Mr. Mitchell).

Mr. Neil Hamilton asked the Prime Minister what is the estimated number in all Government Departments of employees concerned with the licensing and regulation of broadcasting.

The Prime Minister: The broadcasting department of the Home Office, which advises the Home Secretary on all matters relating to domestic broadcasting policy, currently consists of 22 full-time staff. The radio regulatory division of the Department of Trade and Industry is responsible for both the domestic and international planning and management of the radio frequency spectrum. Currently 12 staff are employed full time on technical and engineering work relating solely to broadcasting, and a number of other staff are concerned with broadcasting services as part of their wide responsibilities for the frequency spectrum. The Foreign and Commonwealth Office employs eight staff who work on matters connected with the BBC's external services. This figure does not include the substantial number of FCO administration and engineering staff in this country and abroad who are involved in the operation of FCO-controlled transmitting stations which carry BBC broadcasts.

Commander Wreford-Brown

Mr. Chris Smith asked the Prime Minister whether Her Majesty's Government have any plans to instigate a prosecution of Commander Wreford-Brown in respect of information provided by him and published in "Our Falklands War" in March 1983.

The Prime Minister: Prosecution under the Official Secrets Acts is a matter for the Director of Public Prosecutions.

Coal Industry Dispute

Mr. Proctor asked the Prime Minister what is Her Majesty's Government's policy towards the European Parliament's committee of inquiry on alleged police violence during the current coal miners' dispute; and if she will make a statement.

The Prime Minister: The Government regret that British Socialist Members have tried to drag purely domestic issues into the Parliament's affairs even though it has no responsibility for them. The Government also note that many other Members of the Parliament do not approve of this behaviour.

There is no question of our co-operating with this inquiry. There is no need for it. Police actions can be tested in the courts and complaints investigated under the Police Acts of 1964 and 1976. The general issues have been discussed several times in the House.

EDUCATION AND SCIENCE

Teachers (Assessment)

Mr. Spearing asked the Secretary of State for Education and Science what advice he has sought from qualified teachers with at least 10 years full-time experience teaching less able pupils concerning the feasibility of teachers' assessment.

Mr. Dunn: When my right hon. Friend seeks the view of school teachers, it is his practice to consult their national associations, and he wrote to the latter on 30 October last about the possibility of requiring local education authorities periodically to appraise the performance of their teachers.

Molecular Biology and Neurobiology

Mr. Dalyell asked the Secretary of State for Education and Science what reply he has sent to Sir James Gowans, of the Medical Research Council, on the shortage of funds in molecular biology and neurobiology.

Mr. Brooke: In my right hon. Friend's reply of 10 January, at column *526*, to my hon. Friend the Member for Banbury (Mr. Baldry), he announced that, in the light of advice from the Advisory Board for the Research Councils, the Medical Research Council is to receive a grant-in-aid of £122·3 million from the science budget in 1985-86. This sum represents an increase of £2·1 million in the council's grant-in-aid over the previously published plans for that year. We believe that the Medical Research Council made its comments, about the difficulty of fully supporting the areas of science described, before it had been informed about the increased money. It will be for the council to decide how to apportion its grant-in-aid between the various areas of science it supports.

Teachers

Mr. Evennett asked the Secretary of State for Education and Science how many secondary school teachers are currently employed by *(a)* the Inner London education authority and *(b)* the outer London boroughs combined.

Mr. Dunn: Estimated numbers of secondary school teachers employed in September 1984, the latest date for which figures are available, by *(a)* the Inner London education authority are 10,900, and *(b)* the outer London boroughs combined are 20,500, counting part-time teachers on the basis of their full-time equivalents.

School Leaving Dates

Mr. Evennett asked the Secretary of State for Education and Science whether he intends to introduce legislation to amend the Education (School Leaving Dates) Act 1976.

Mr. Dunn: My right hon. Friend has no plans at present to do so.

School Leavers

Mr. Evennett asked the Secretary of State for Education and Science whether he is satisfied with the literacy and numeracy standards of school leavers.

Mr. Dunn: The Government believe that there is room for improvement in the standards achieved by pupils of all abilities across the whole of the school curriculum. Our policies are designed to secure such an improvement.

British Antarctic Survey Ship (Penetrators)

Mr. Dalyell asked the Secretary of State for Education and Science whether the British Antarctic Survey ship Discovery has penetrators to test ways of burying nuclear waste in the seabed; and whether it is tasked to look for natural traps for hydrocarbons near the Falkland Islands.

Mr. Brooke: The royal research ship Discovery does not have such penetrators on board and is not tasked as the hon. Member describes. While RRS Discovery's present cruise is in support of the British Antarctic survey, the vessel is part of the Natural Environment Research Council's research fleet and is not a BAS vessel.

Teaching Services (Parents)

Mrs. Renée Short asked the Secretary of State for Education and Science what action he intends to take on the report from the National Association of Schoolmasters/ Union of Women Teachers, a copy of which has been sent to him, about the level of use of parents to provide teaching services in schools.

Mr. Dunn: My right hon. Friend welcomes the growing participation of parents in their children's school education and has noted that this report acknowledges and illustrates the benefits to schools of parental involvement on a voluntary basis. As respects the concern expressed about some aspects of current arrangements, it is for head teachers, governing bodies and local education authorities to settle the forms that parental involvement might take and for authorities to settle the staffing complements for schools in the light of legal requirements, local priorities and available resources.

Student Grants

Mr. Canavan asked the Secretary of State for Education and Science how many representations he has now received about student grants.

Mr. Brooke: My right hon. Friend has received some 10,600 representations about the changes in student grants in 1985-86.

No Area Pooling System

Mr. Freud asked the Secretary of State for Education and Science whether he will list the amounts paid to each local education authority in respect of the no area pooling system in each year since 1980 and the total cost of the system in each of these years.

Mr. Dunn [*pursuant to his reply*, 17 January 1985, c. 227]: Pooling is not a grant which is paid to local education authorities. It is a system of inter-authority payments which, as a matter of administrative convenience, is carried out by the Government through adjustments to authorities' block grant. It in no way affects the total of Government grant paid.

The provisional claims on the no area pool on which the adjustments for each year since 1980 have been made are given in the following table. The final adjustment in respect of each year will eventually be made on the basis of certified claims.

Claims (£) on the no area pool

	Provisional Actual				*Estimate*	*Forecast*
	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Barking	27,284	10,304	5,853	7,917	6,500	6,733
Barnet	615,310	714,000	703,000	769,660	813,980	845,274
Bexley	20,898	33,474	42,390	41,550	29,680	32,372
Brent	822,690	318,820	316,600	297,100	286,000	294,921
Bromley	116,900	129,000	95,760	87,710	92,120	95,365
Croydon	98,054	52,794	70,026	63,117	66,270	66,577
Ealing	88,138	87,456	103,158	164,404	174,783	176,887
Enfield	63,150	55,466	41,952	7,836	7,500	7,769
Haringey	99,828	111,734	96,688	155,349	133,700	140,054
Harrow	113,440	91,390	96,340	135,880	142,630	144,943
Havering	67,369	30,200	16,350	19,470	12,650	9,220
Hillingdon	118,369	168,312	64,466	56,271	40,742	25,259
Hounslow	125,170	107,600	98,500	108,230	109,380	113,452
Kingston-upon-Thames	52,100	63,747	54,900	34,669	35,000	36,153
Merton	85,460	101,154	71,338	134,808	141,850	146,476
Newham	70,664	61,263	34,278	26,154	26,067	26,579
Redbridge	72,160	43,867	29,849	14,033	14,699	15,203
Richmond-upon-Thames	26,204	27,232	22,799	32,500	35,600	27,555
Sutton	28,135	26,510	33,300	68,680	92,400	95,717

	1980-81	Provisional Actual 1981-82	1982-83	1983-84	Estimate 1984-85	Forecast 1985-86
Waltham Forest	146,323	132,842	3,212	174,633	162,000	177,139
Inner London	3,314,000	2,307,000	2,489,000	3,174,000	3,302,000	3,439,188
Birmingham	339,660	451,000	97,060	53,680	55,930	56,394
Coventry	110,380	82,600	40,000	34,140	35,280	36,402
Dudley	103,411	90,244	98,349	138,508	140,815	145,870
Sandwell	46,854	16,802	20,103	23,396	21,480	21,723
Solihull	63,618	51,366	53,197	67,147	59,739	58,700
Walsall	53,864	79,146	69,269	73,522	68,482	70,628
Wolverhampton	43,990	49,330	50,419	46,354	49,600	51,691
Knowsley	5,638	3,487	3,850	—	2,779	5,216
Liverpool	823,836	835,173	632,785	560,157	523,700	519,815
St. Helens	18,914	12,074	17,782	14,118	14,718	15,539
Sefton	18,836	34,643	37,878	38,533	42,070	42,596
Wirral	130,246	130,217	41,417	35,604	36,450	37,759
Bolton	12,000	16,500	27,500	38,000	40,000	41,436
Bury	15,998	11,793	8,550	6,513	4,891	5,067
Manchester	24,585	51,719	150,690	68,855	75,130	75,869
Oldham	6,419	13,935	22,871	23,316	24,613	25,497
Rochdale	21,579	28,538	40,684	34,885	39,021	38,587
Salford	94,270	58,373	74,080	52,129	49,654	49,391
Stockport	50,240	42,989	42,550	30,450	31,980	33,087
Tameside	24,900	16,500	7,760	7,240	6,700	5,490
Trafford	77,733	29,482	18,478	32,336	33,392	34,322
Wigan	18,697	4,528	4,500	10,028	10,700	11,084
Barnsley	13,831	4,702	2,950	1,573	3,266	4,064
Doncaster	25,972	21,689	25,000	95,127	100,950	103,752
Rotherham	31,771	25,379	19,248	20,951	19,496	20,196
Sheffield	154,909	193,798	149,716	204,223	213,500	220,336
Bradford	73,067	118,403	87,860	88,521	90,900	94,163
Calderdale	21,462	953	—	23,566	23,843	24,699
Kirklees	17,920	14,969	11,535	16,099	16,900	17,507
Leeds	213,112	221,851	217,098	288,114	285,643	295,337
Wakefield	43,864	35,945	29,361	20,101	27,772	29,784
Gateshead	10,994	6,561	3,537	4,770	9,630	10,224
Newcastle upon Tyne	58,963	38,035	34,650	63,275	66,460	71,197
North Tyneside	33,750	32,147	14,136	16,411	11,562	10,443
South Tyneside	1,177,235	933,563	655,868	479,757	438,500	445,302
Sunderland	56,283	12,419	14,058	30,731	32,147	32,866
Isles of Scilly	—	—	—	—	—	—
Avon	357,500	325,000	277,600	326,000	338,900	342,986
Bedfordshire	291,000	320,000	250,000	230,000	235,000	243,437
Berkshire	250,000	340,000	177,600	155,475	181,500	187,187
Buckinghamshire	208,000	225,500	225,500	238,000	247,000	256,903
Cambridgeshire	386,053	403,940	545,713	683,088	719,316	743,939
Cheshire	133,667	124,400	125,029	145,145	153,243	157,874
Cleveland	109,955	144,395	113,287	175,757	180,000	186,462
Cornwall	116,634	117,320	77,690	72,682	79,180	81,190
Cumbria	289,504	305,674	299,889	340,128	347,218	354,566
Derbyshire	306,000	316,080	289,546	274,246	281,200	293,988
Devon	718,063	743,465	612,811	649,400	686,800	711,456
Dorset	371,700	450,000	448,300	453,226	475,100	498,475
Durham	96,098	53,520	28,630	27,834	20,766	21,046
East Sussex	366,210	290,687	278,530	310,566	324,000	335,632
Essex	511,800	465,000	470,000	440,000	450,000	466,155
Gloucestershire	149,240	166,810	106,936	199,010	203,946	209,947
Hampshire	1,084,000	997,000	881,000	747,000	718,500	739,633
Hereford and Worcester	202,000	220,000	244,000	200,185	210,000	217,539
Hertfordshire	775,000	845,300	395,038	487,080	502,000	520,022
Humberside	329,487	222,730	201,940	133,780	135,630	140,499
Isle of Wight	23,501	20,851	9,687	9,470	7,000	6,775
Kent	625,800	825,900	617,300	652,400	681,800	704,723
Lancashire	395,400	380,000	430,000	402,791	396,500	410,734
Leicestershire	176,932	187,003	149,009	123,186	125,190	129,291
Lincolnshire	224,600	243,100	188,570	209,388	212,652	218,164
Norfolk	347,150	284,580	308,772	302,900	328,538	360,253
North Yorkshire	416,853	495,600	538,700	454,995	483,200	498,786
Northamptonshire	202,080	136,420	128,466	167,342	203,700	231,213
Northumberland	93,510	45,000	55,000	58,844	98,498	128,470

	Provisional Actual				Estimate	Forecast
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Nottinghamshire	306,520	223,753	197,530	187,820	182,230	185,405
Oxfordshire	640,000	770,000	720,000	577,200	609,000	630,863
Salop	146,320	120,300	124,000	127,990	141,730	145,927
Somerset	219,620	207,670	152,570	225,310	227,330	233,689
Staffordshire	124,730	143,250	159,414	152,210	157,540	164,646
Suffolk	485,078	534,916	497,322	520,469	556,511	576,945
Surrey	830,660	828,600	699,760	865,132	905,327	1,006,239
Warwickshire	153,985	139,557	147,241	161,347	158,100	162,947
West Sussex	307,200	196,914	199,960	208,810	218,950	235,678
Wiltshire	277,510	317,000	262,000	366,200	384,325	400,225
ENGLAND	23,259,807	21,622,253	18,948,888	20,378,507	21,000,664	21,824,778

SCOTLAND

Investment

Mr. Gordon Brown asked the Secretary of State for Scotland if he will list those American companies that have announced investments in Scotland since the visit to the United States of America by the Scottish Industry Minister; and whether they are to receive automatic regional development grants.

Mr. Allan Stewart: Since I visited the United States, I am aware that the following American companies have announced their intention to invest in Scotland:

Gearhart Industries Inc.
Hughes Microelectronics Ltd.
W. L. Gore & Associates
Indy Electronics Inc.
Burroughs Machines Ltd.
Fibrmat Ltd.
Glassflake International Ltd.
Varian Associates Inc.
Intertrade Scientific
Eaton Semiconductor Equipment
Materials Research Inc.

The position as far as regional development grants are concerned is as follows:

1. Gearhart Industries' operation in Aberdeen was not eligible for regional development grant assistance under the old scheme and will not be eligible under the new scheme.
2. Hughes Microelectronics located in Glenrothes was eligible for regional development grants under the old scheme and will qualify for support at that location on assets provided by 28 November 1985. The company will not be eligible under the new scheme at Glenrothes, although regional selective assistance will continue to be available.
3. W. L. Gore Associates at Dundee, Indy Electronics Inc. at Irvine, Burroughs Machines Ltd. at Livingston, Fibrmat Ltd. at East Kilbride and Glassflake International Ltd. at Coatbridge qualified at their existing locations for regional development grants, and can do so again under the new scheme at those locations provided they have a suitable project.
4. Varian Associates Inc., Intertrade Scientific, Eaton Semiconductor Equipment and Materials Research Inc., which are sales and service companies located at Clydebank, did not qualify for regional development grants under the old scheme, but new investment may qualify at Clydebank under the new rules which now cover certain service activities.

Company Statistics

Mr. Gordon Brown asked the Secretary of State for Scotland if he will estimate how many companies employing 10 or more workers have *(a)* started work and *(b)* announced closures in 1983 and 1984.

Mr. Allan Stewart: The information is not available in the form requested. There are no comprehensive statistics on companies starting work. However, information available to the Manpower Services Commission indicates that in 1983 and 1984, respectively, there were 222 and 175 establishments in Scotland where closure gave rise to redundancies involving 10 or more workers in those years.

Emigration

Mr. Gordon Brown asked the Secretary of State for Scotland how many Scots people have emigrated in each year since 1979.

Mr. John MacKay: The available estimates of net migration, which relate to residents of Scotland and are subject to sampling error, are published in table 01.1 of the Registrar General for Scotland's Annual Report 1983, a copy of which is in the Library.

Electronics Industry

Mr. Gordon Brown asked the Secretary of State for Scotland if he will commission a study into present and future employment levels in the electronics industry in Scotland.

Mr. Allan Stewart: I keep employment levels and prospects in electronics under continuing review, with particular attention to the demand for qualified manpower. I have no plans at present to commission any external study.

Police (Medical Treatment)

Mr. Kilroy-Silk asked the Secretary of State for Scotland how many policemen received financial assistance towards dental, optical or medical treatment in 1983 and 1984; what was the cost in each case; and why the officers were assisted.

Mr. Ancram: The detailed information requested is not readily available and could not be obtained from police authorities without disproportionate cost.

Before the introduction of the National Health Service, police officers were entitled to free medical and dental treatment as part of their conditions of service. When NHS charges were introduced, it was therefore agreed that officers should be reimbursed for medical or dental treatment on the basis of NHS charges. Reimbursement of the costs of approved types of spectacles or contact lenses suitable for use by serving officers while on outside duty stems from a recommendation by the Police Advisory

Board for Scotland that candidates for the police service who are otherwise suitable but who need to wear spectacles or contact lenses should be regarded as acceptable if they are able to satisfy certain minimum standards of vision.

Fountain Forestry

Mr. Dalyell asked the Secretary of State for Scotland whether he was consulted about the purchase by Fountain Forestry of Creag Meagaidh at a cost of £7·50 per hectare; and how much public money has been given to Fountain Forestry for preserving site of special scientific interest status at Creag Meagaidh.

Mr. John MacKay: My right hon. Friend was not consulted about the purchase, and there was no reason why he should have been as this was a private transaction.

I understand from my right hon. Friend the Secretary of State for the Environment that no public money by way of compensation has been paid to Fountain Forestry. The company has given notice under section 28 of the Wildlife and Countryside Act 1981 that it intends to carry out forestry operations on part of the Creag Meagaidh site, and discussions are continuing between it and the Nature Conservancy Council.

Alvey Directorate (Meeting)

Mr. Dalyell asked the Secretary of State for Scotland if he will make a statement on the meeting arranged by the Scottish Development Department between industrialists and officials of the Alvey Directorate.

Mr. Allan Stewart: The Alvey programme is the subject of a forum being held in Edinburgh on 29 January organised by the Scottish Electronics Technology Group (SETG), a grouping of industrialists and academics. The Scottish Development Agency made a grant to the SETG at its inception in July 1984 and is represented in the group. My Department has not had direct involvement in the organisation of the forum.

Nature Conservation

Mr. Dalyell asked the Secretary of State for Scotland if he will publish his reply to Mr. Ian Presst, Director of the Royal Society for the Protection of Birds, about support for nature conservation in Scotland.

Mr. Ancram: The text of the letter is as follows:

Ian Presst Esq.,
Director,
Royal Society for the
Protection of Birds,
The Lodge,
Sandy,
Bedfordshire
SG19 2DL

27 September 1984

Thank you for your letter of 7 September about nature conservation in Scotland.

While the Secretary of State welcomes the work of the Royal Society for the Protection of Birds and their support of conservation issues generally, he is unable to accept your charge that Scottish Ministers do not give it adequate support in Scotland. Mr. Younger and his colleagues give particular consideration to nature conservation issues. They have supported the provisions of the Wildlife and Countryside Act, which apply both north and south of the border, and they operate special arrangements, as described in the national planning guidelines —to which there is no English equivalent—which ensure that planning issues affecting the scientific interest of land may be brought to their attention.

The Secretary of State was happy to note you recognition that conservation is not the only issue which he has to take into account in arriving at decisions on land use. He appreciates that some specific decisions may not meet with the Society's approval, perhaps because with their specialised remit they may not generally be aware of all the ramifications of the other issues involved and, of course, because they have no statutory responsibility to ensure that an equitable decision is reached taking account of all the issues.

Comparisons between England and Scotland can sometimes overlook the widely differing circumstances, geographical, social and economic, and in particular the high proportion of Scotland which is remote countryside. In these areas, which often contain economically fragile communities, nature conservation is not always seen as being at the same risk as in the more intensely developed areas of the country; and in these circumstances any attitude which accords an overriding priority to the scientific interest of land without regard to the economic interests of the area is not necessarily in the best interests of nature conservation, nor of the local communities. The Secretary of State feels sure that you will appreciate the force of this argument. He considers that, while difficult decisions have to be made which cannot fully satisfy all the interests concerned, there is room in the remote areas of Scotland both for the maintenance of the local economy and for the protection of wildlife. He believes there is room for improvement in the presentation of the need for nature conservation particularly to land users and the inhabitants of the areas of special interest, whose goodwill at the end of the day is essential to any continuing successful programme of conservation. This is, of course, among the functions of the Nature Conservancy Council, but he believes that there is also an important role for the voluntary sector represented by such bodies as the RSPB.

As you may know, there has already been a meeting at Ministerial level last month, when the Minister of State met your Scottish chairman. If you feel that a further meeting would be helpful, I shall be happy to put you in touch with the appropriate Scottish Office official.

J. S. Graham,
Private Secretary

Abandoned Vehicle, Shrewsbury

Mr. Dalyell asked the Secretary of State for Scotland if he will call for a report from chief constables in Scotland as to which Scottish police forces were told on Wednesday 21 March 1984 by the West Mercia police or the vehicle licensing computer at Swansea about a white Renault car, licence number LNT 917W, or other cars abandoned in the Shrewsbury area.

Mr. Ancram: I understand that there has been no contact between West Mercia constabulary and Scottish forces about these matters.

Rate Fund Contribution Limits

Mr. Craigen asked the Secretary of State for Scotland if, following the latest increases in interest rates, he will revise the rate fund contribution limits fixed in the draft order for 1985-86.

Mr. Ancram: No. The aggregate rate fund contribution limit of £89·5 million contained in the order is the maximum amount which can be afforded for rate subsidies to housing current expenditure in Scotland in 1985-86 consistent with the total expenditure on housing in Scotland and the recently announced provisional allocations for the capital programmes.

OVERSEAS DEVELOPMENT

Falkland Islands (Wildlife Report)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what consideration he has given to the report of the wildlife consultant who visited the Falklands in December 1983.

Mr. Raison: The report is still under consideration by the Falkland Islands Government.

Ethiopia

Mr. Chapman asked the Secretary of State for Foreign and Commonwealth Affairs whether the Government have decided to continue the airlift to Ethiopia.

Mr. Raison: We are offering to extend the airlift to the end of March and to review the position again nearer that time.

EMPLOYMENT

Youth Training Scheme

Mr. Leighton asked the Secretary of State for Employment how many young people have left youth training schemes without a job; and what provision is made for them.

Mr. Peter Morrison: Information on the precise number of young people who have left the youth training scheme without a job is not available. However, a sample survey of youngsters leaving the scheme between 1 April and 31 July 1984 showed that 34 per cent. were unemployed—and 58 per cent. were in jobs—at the time they completed the questionnaire, some three months after leaving the scheme. Seven per cent. of the unemployed youngsters were intending to go into full-time education or training.

The majority of youngsters leaving the youth training scheme are finding jobs. However, the Government continue to encourage employers, through the young workers scheme, to provide more jobs for 17-year-olds, including those leaving the youth training scheme. There are a number of other Government measures which, subject to eligibility conditions, are available to assist youngsters who leave the youth training scheme without a job, such as the enterprise allowance scheme.

Mr. Wainwright asked the Secretary of State for Employment what is the estimated annual cost of the youth training scheme; and what proportion of this is fixed overhead cost unaffected by duration of training.

Mr. Peter Morrison [*pursuant to his reply*, 14 January 1985, c. *36*]: The estimate provision for expenditure on youth training in 1984-85 is about £802 million. It is not possible to identify precisely the proportion which relates to fixed overhead costs. However, it is estimated that about half of the expenditure incurred up to the end of December related to trainees' allowances and excess travel and lodging costs, and the remainder related to capital costs and other operating and training expenditure.

Labour Statistics

Mr. Teddy Taylor asked the Secretary of State for Employment if he has received the projections of the numbers of persons who will reach retirement age and the numbers who will leave school or full-time education this year; and what will be the consequences of these projections for the unemployment total.

Mr. Alan Clark: The latest projection of the number of persons reaching retirement age in Great Britain between mid-1984 and mid-1985 is 0·6 million. In the academic year 1984-85, it is estimated that about 0·9 million persons will leave school or full-time education. These factors are among many that may influence future levels of unemployment.

AGRICULTURE, FISHERIES AND FOOD

Soil Survey

Mrs. Roe asked the Minister of Agriculture, Fisheries and Food if he has yet reached a decision on the future funding of the Soil Survey of England and Wales; and if he will make a statement.

Mr. Jopling: I have considered carefully the arrangements for the future funding of the Soil Survey of England and Wales and had the benefit of advice from the priorities board for research and development in agriculture and food on this issue.

My Department has funded the work of the Soil Survey for 12 years at a total cost of approximately £12 million. A great deal of useful material has been gathered and the survey has drawn up and published in 1984 a series of soil maps on the scale of 1:250,000 covering the whole of England and Wales. With the completion of that programme, it was appropriate to review my Department's requirements and the future level of funding.

In accordance with the recommendations of the priorities board, I have decided that while there will be no change in the funding of the survey in 1985-86, the Ministry's commission should be set at half the present level in 1986-87. This would result in a commission of around £850,000 in that year. The priorities board considered that this tapered adjustment would give the Soil Survey and the Agriculture and Food Research Council an opportunity to explore the possibility of alternative sources of income for future years.

Agriculture and Horticulture (Co-operatives)

Mr. John Carlisle asked the Minister of Agriculture, Fisheries and Food if he proposes to make reductions in the grants payable to agricultural and horticultural co-operatives; and if he will make a statement.

Mr. MacGregor: We propose to make reductions in the grant rates payable to co-operatives broadly similar to those which have already been announced in relation to individual farm capital grants. Grant rates for horticultural co-operatives will, however, be kept at existing levels. For other co-operatives the grant rate for buildings will be reduced by five percentage points. Rates for plant and equipment are unchanged.

The changes are set out in the draft Agricultural and Horticultural Co-operation Scheme, copies of which were laid before the House on Monday.

ENVIRONMENT

Local Government Reform

Mr. Cartwright asked the Secretary of State for the Environment what organisations and individuals have so far been consulted about the possible formation of a trust to take over the management and ownership of Thamesmead after the abolition of the Greater London council.

Sir George Young: I visited Thamesmead recently and had an informal discussion with a number of representatives of community organisations, which I found very useful. I intend to hold further such discussions over the next few months. I have also had discussions with the London borough of Bexley. The London borough of Greenwich has not yet accepted my repeated invitations to a meeting. Subject to parliamentary approval of the Local Government Bill, we expect to begin formal consultation as soon as possible after it is enacted.

Sheltered Housing (Wardens)

Mr. Hargreaves asked the Secretary of State for the Environment if he will introduce legislation to relax the duality of interests provisions in the Housing Act 1980 in so far as they affect wardens of sheltered housing schemes operated by housing associations; and if he will make a statement.

Sir George Young: These provisions were included in the Housing Act 1980 to ensure absolute probity by housing association committee members, officers and employees involved in the handling of public funds. I have no plans to amend this legislation.

Housing Associations

Mr. Hargreaves asked the Secretary of State for the Environment how many representations he has received relating to the operation of section 126 of and schedule 16 to the Housing Act 1980.

Sir George Young: The Department has received 30 representations about these provisions since they were enacted in 1980.

Property Services Agency (House Management)

Mr. Ashdown asked the Secretary of State for the Environment if he will list by district council areas in Cornwall, Devon, Somerset, Wiltshire and Dorset, how many empty homes there are owned or managed on behalf of other Government Departments by the Property Services Agency.

Sir George Young: Following is the information about empty homes currently held:

	Number
Cornwall	
Carrick District Council	2
Caradon District Council	4
North Cornwall District Council	2
Penwith District Council	2
Total	10
Devon	
Plymouth City Council	11
Torridge District Council	21
Total	32
Somerset	
Sedgemoor District Council	2
Yeovil District Council	1
Total	3
Wiltshire	
Kennet District Council	4
Salisbury District Council	122
Thamesdown District Council	2
North Wiltshire District Council	3
West Wiltshire District Council	1
Test Valley District Council	1
Total	133
Dorset	
Christchurch Borough Council	6
Purbeck District Council	1
Total	7
Grand Total	185

Of this total, 95 are currently the subject of sale action and a further 20 are undergoing or will undergo works services in preparation for reuse.

Crown Agents Premises, Millbank

Mr. Spearing asked the Secretary of State for the Environment what consideration he has given to the purchase by the Property Services Agency of the premises of the Crown Agents in Millbank for use by a Government Department.

Sir George Young: The sale of this building to an American hotel group was announced recently at a price considerably higher than could have been justified for its use as Government offices.

Member's Correspondence

Mr. Latham asked the Secretary of State for the Environment when the hon. Member for Rutland and Melton can expect to receive a reply to the letter which he wrote to the Minister of State for the Armed Forces on 20 November 1984, and which was transferred to his Department on or around 19 December 1984 under Ministery of Defence reference number DP/JL 754/84, relating to a constituent living in Melton Mowbray.

Mr. Gow: I replied to my hon. Friend on 16 January 1985.

Derelict land Clearance Area Status

Mr. Hicks asked the Secretary of State for the Environment whether he is considering granting derelict land clearance area status for any of the areas which lost assisted area status in the recent review.

Mrs. Kellett-Bowman asked the Secretary of State for the Environment if he is considering granting derelict land clearance area status for the Lancaster travel-to-work area, which lost its assisted area status in the recent review.

Mr. Macfarlane: The loss of assisted area status reduces the rate of grant available to local authorities for the reclamation of derelict land from 100 per cent. to 50 per cent. and for non-local authority applicants from 80 per cent. to 50 per cent. Certain areas which lost assisted area status in the review still contain significant concentrations of dereliction which need to be dealt with. If the higher rate of grant is no longer available, the recognised reclamation programme in these areas is likely to suffer.

I have decided, therefore, that the following districts should be granted derelict land clearance area status, which will restore their entitlement to 100 per cent. derelict land grant:

Boothferry (the Goole area)
Carrick (that part in the Truro TTWA)
Copeland (the coastal belt west of the Lake District national park)
Lancaster and Morecambe (west of the M6)
Restormel (that part in the St. Austell TTWA)
Vale Royal (that part in the Northwich TTWA)

The appropriate order will be laid before Parliament shortly.

TRANSPORT

Heavy Vehicles (Spray)

Mr. Spearing asked the Secretary of State for Transport what research has been conducted or is in progress relating to the suppression of spray from heavy vehicles operating in wet conditions; and if he expects substantiye conclusions to be reached.

Mrs. Chalker: Research into spray has been carried out by Southampton university and the Transport and Road Research Laboratory. The results have been incorporated into British standard BS AU200 published last year.

Regulations have been made to make this standard mandatory on various classes of heavy lorry, starting with new trailers, this May.

Further research, mainly into the effects of aerodynamics on spray suppression, is continuing.

Dynamic Axle Weighbridges

Mr. Spearing asked the Secretary of State for Transport how many vehicle axle weight, or half axle weight, weighing machines are in operation; and if they are used as preliminary checks in order to direct vehicles to officially recognised weighbridges.

Mrs. Chalker: My Department has installed some 50 dynamic axle weighbridges at the main roll-on/roll-off ports and at strategic points on or close to major routes. All these weighbridge sites are used regularly by the three enforcement agencies responsible for enforcement against overloading. None of these sites is used for preliminary weight checks.

Aerodromes (Highlands and Islands)

Mr. Wallace asked the Secretary of State for Transport (1) how many formal offers to purchase were received for each of the Civil Aviation Authority's aerodromes in the Highlands and Islands by the 31 December 1984 deadline;

(2) whether he intends to extend the 31 December 1984 deadline for the receipt of formal offers to purchase the Civil Aviation Authority's aerodromes in the Highlands and Islands;

(3) what total sum is currently expected to be raised by the sale of such of the Civil Aviation Authority's Highlands and Islands airports in respect of which firm offers to purchase have been received;

(4) in respect of which Civil Aviation Authority aerodromes in the Highlands and Islands he has received offers for purchase.

Mr. Michael Spicer: Proposals in respect of all the aerodromes have been received, but, of those submitted by 31 December 1984, only one was in the form requested. It is being considered as well as other less formal proposals, and if the latter developed into formal offers they would not be rejected because the date has passed. Since all the aerodromes have been loss-making, it would be unrealistic to expect a large payment for these assets.

Road Safety Research

Mr. Sheerman asked the Secretary of State for Transport if he will list the budgeted expenditure for 1984-85 on road safety research in the following categories: road safety, vehicle design, construction and safety and highway engineering; and if he will provide an estimate of the proportion of the total expenditure on road safety research relating to work on reducing accidents and casualties.

Mrs. Chalker: The budgeted expenditure on road safety research for 1984-85 is £4,410,000, of which £1,640,000 relates to road user safety, £1,420,000 to vehicle design, construction and safety and £1,350,000 to highway engineering safety improvements. All the expenditure is related to work on reducing accidents and casualties. In addition, £1,600,000 is budgeted in 1984-85 for research on general highway engineering projects in which road safety considerations are a factor. The proportion of this expenditure related to reducing accidents and casualties is estimated at 40 per cent.

Vehicle Test Certificates

Mr. Roger King asked the Secretary of State for Transport how many convictions have been obtained in each of the last three years for the use of forged Ministry of Transport vehicle test certificates.

Mr. Giles Shaw: I have been asked to reply.

The available information is for findings of guilt at magistrates' courts for all vehicle test certificate offences and is published annually in "Offences Relating to Motor Vehicles, England and Wales, Supplementary Tables" (table 5 of the issue for 1983); offences involving the use of forged Ministry of Transport vehicle test certificates cannot be separately identified.

DEFENCE

Recruits (Ireland)

Mr. John David Taylor asked the Secretary of State for Defence what percentage of recruits are from the island of Ireland in each of the following regiments: *(a)* the Royal Irish Rangers, *(b)* 5th Royal Inniskilling Dragoon Guards, *(c)* the Queen's Royal Irish Hussars and *(d)* the Irish Guards.

Mr. Lee: In 1984 the following proportions of recruits to the regiments named were from Ireland:

	Officers per cent.	Other ranks per cent.
(a) Royal Irish Rangers	63	64
(b) 5th Royal Inniskilling Dragoon Guards	23	12
(c) Queen's Royal Irish Hussars	17	20
(d) Irish Guards	24	50

Foreign Armed Forces

Mr. Chris Smith asked the Secretary of State for Defence (1) if he will list the countries whose armed forces were provided with training by Her Majesty's armed forces in 1983 and 1984, respectively;

(2) if he will list the countries whose police or paramilitary forces were provided with training by Her Majesty's armed forces in 1983 and 1984, respectively.

Mr. Lee: The list of countries and territories whose forces were provided with training by Her Majesty's armed forces in 1983 and 1984, respectively, is as follows:

1983

Australia
Bahamas
Bahrain
Bangladesh
Barbados
Belguim
Belize
Bermuda
Botswana
Brazil
Brunei
Burma
Canada
Chile
Denmark
Ecuador
Egypt
Eire
Fiji
France
Gambia
Ghana
Greece
Guyana
Hong Kong
India
Indonesia
Iraq
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kuwait
Lebanon
Lesotho
Libya
Malawi
Malaysia
Maldives
Mauritius
Montserrat
Nepal
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Philippines
Portugal
Qatar
Saudi Arabia
Senegal
Sierra Leone
Singapore
South Korea
Spain
Sri Lanka
Sudan
Sweden
Swaziland
Switzerland
Tanzania
Thailand
Trinidad & Tobago
Turkey
United Arab Emirates
Uganda
United States of America
Venezula
West Germany
Zaire
Zambia
Zimbabwe

1984

Algeria
Australia
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Belize
Bermuda
Botswana
Brazil
Brunei
Canada
Chile
Cyprus
Denmark
Ecuador
Egypt
Eire
Ethopia
Fiji
Finland
France
Gambia
Ghana
Greece
Guyana
Hong Kong
Iceland
India
Indonesia
Iraq
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kuwait
Lebanon
Libya
Malawi
Malaysia
Maldives
Mauritius
Montserrat
Nepal
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Philippines
Portugal
Qatar
Saudi Arabia
Senegal
Sierra Leone
Singapore
South Africa
South Korea
Spain
Sri Lanka
Sudan
Swaziland
Sweden
Switzerland
Tanzania
Thailand
Trinidad & Tobago
Tunisa
Turkey
United Arab Emirates
Uganda
United States of America
Venezuela
West Germany
Yemen
Zaire
Zambia
Zimbabwe

The specific details are confidential between the countries concerned and Her Majesty's Government, but in each case military rather than police training was given.

Mr. Chris Smith asked the Secretary of State for Defence (1) if he will list all the foreign armed forces to which members of Her Majesty's armed forces were seconded, or in which they served by arrangement with his Department, during 1984;

(2) if he will list all the foreign police or paramilitary forces to which members of Her Majesty's armed forces were seconded, or in which they served by arrangement with his Department during 1984.

Mr. Lee: In 1984 members of Her Majesty's armed forces served on loan, secondment or exchange with the armed forces of the following countries and territories:

Australia
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Belize
Bermuda
Brazil
Brunei
Canada
Chile
Denmark
Ecuador
Federal Republic of Germany
Fiji
France
Gambia
Ghana
Hong Kong
Italy
Jordan
Kenya
Kuwait
Lesotho
Mauritius
Netherlands
New Zealand
Norway
Oman
Qatar
St. Vincent
Saudi Arabia
Singapore
Sudan
Swaziland
Uganda
United Arab Emirates
United States of America
Zimbabwe

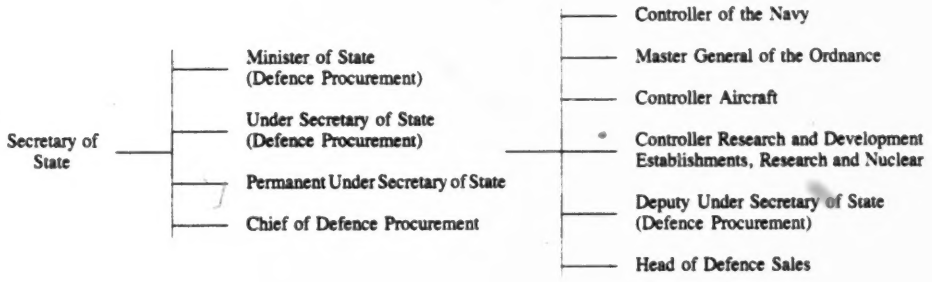
The specific details are confidential between the Governments concerned, but in each case military rather than police assistance was given.

Procurement Executive

Mr. Arnold asked the Secretary of State for Defence if he will set out in tabular form in the *Official Report* the

structure and composition of the Procurement Executive, including the numbers employed and their rank in each case, and the reporting lines.

Mr. Butler: The information requested is too detailed and lengthy to set out in tabular form in the *Official Report*. The main reporting lines in the Procurement Executive are as follows:


Secretary of State
Minister of State (Defence Procurement)
Under Secretary of State (Defence Procurement)
Permanent Under Secretary of State
Chief of Defence Procurement
Controller of the Navy
Master General of the Ordnance
Controller Aircraft
Controller Research and Development Establishments, Research and Nuclear
Deputy Under Secretary of State (Defence Procurement)
Head of Defence Sales

The essential details of staff numbers are as follows:

	Numbers employed	
	Civilian	*Service*
Sea systems projects	5,328	632
Land systems projects	2,336	281
Air systems projects	1,802	120
Research and development	23,645	623
Central services including contracts and quality assurance	5,137	34
Defence sales	283	21
Total	38,531	1,711

Further details are set out in the annual publication "The Civil Service Year Book", published by Her Majesty's Stationery Office.

Trident

Mr. Alton asked the Secretary of State for Defence over how many years his Department's budget will bear the costs of Trident; and what percentage the project will represent of the total defence estimates in each of those years.

Mr. Butler: The procurement period for the Trident system is currently assessed at about 20 years, during which it will account on average for some 3 per cent. of the defence budget and about 6 per cent. at its peak.

TriStars

Mr. Dalyell asked the Secretary of State for Defence what are the latest cost figures for the purchase of TriStars for the Royal Air Force to augment the existing tanker fleet.

Mr. Butler: For reasons of commercial confidentiality, I am unable to give this information.

Member's Correspondence

Mr. Latham asked the Secretary of State for Defence why the Parliamentary Under-Secretary of State for Defence Procurement took until 19 December 1984 to advise the hon. Member for Rutland and Melton that the hon. Member's letter of 20 November 1984, covered by departmental reference DP/JL 754/84 and relating to an individual constituent in Melton Mowbray had been transferred to the Department of the Environment.

Mr. Lee: My hon. Friend the Member for Rutland and Melton wrote to my right hon. Friend the Minister of State for the Armed Forces on 20 November. As the case apparently concerned the relationship of a civilian contractor's employee to the Ministry of Defence, it was judged to fall within my area of responsibility and was therefore passed to my office, where it was received on 4 December. My right hon. Friend advised my hon. Friend of this transfer in a letter dated 30 November. Subsequent investigation established, however, that the constituent's company was contracted to work for the Property Services Agency. The correspondence was therefore passed to the Department of Environment, and my hon. Friend was informed of this by letter on 19 December.

I am sorry if there has been any inconvenience caused.

Territorial Army Headquarters (Sutton in Ashfield)

Mr. Haynes asked the Secretary of State for Defence why the Territorial Army headquarters at Sutton in Ashfield, Nottinghamshire, is being fully manned with regular soldiers and a barrier placed on the entrance to the property.

Mr. Lee: The Territorial Army centre at Sutton in Ashfield, Nottinghamshire, is manned and guarded by TA personnel and not by regular soldiers. The barrier on the entrance to the premises has been in operation to control vehicle access as part of standard security measures.

Chemical Warfare (Research)

Mr. Pike asked the Secretary of State for Defence what research is being undertaken into chemical warfare; and if he will make a statement.

Mr. Lee: Research in the field of chemical warfare is concerned solely with defence against attack by such means. Research falls into three main areas: the detection of chemical agents; the protection of personnel and equipment; and therapy, including prophylactic treatment.

Type 22 Warship

Mr. Nicholas Brown asked the Secretary of State for Defence if it is now his intention to award the pending naval order for the two type 22 warships to one or more of the three short-listed yards solely on the basis of the most commercially competitive tenders received.

Mr. Lee [*pursuant to his reply*, 14 January 1985, c. 94]: The primary considerations in deciding where to place an order are costs and delivery time scales. However, account is also being taken of other relevant factors, but no decision has yet been taken. An announcement will be made as soon as possible.

TRADE AND INDUSTRY

South Africa

Mr. Proctor asked the Secretary of State for Trade and Industry what information he has as to the number of major United Kingdom investments which have taken place in, and of major contracts which have been concluded with, South Africa in the past 12 months; and if he will make a statement.

Mr. Channon: We are, of course, aware of information which is in the public domain, but there is no universal requirement for United Kingdom companies to report annually to my Department on these matters, and therefore the picture we have may not be complete. The latest information on levels of United Kingdom investment in South Africa was contained in the reply given to my hon. Friend by the Prime Minister on 11 May 1984 at column *471*. British exporters currently have slightly less than 11 per cent. of the South African market.

EC Research Council

Mr. Moynihan asked the Secretary of State for Trade and Industry what progress was made at the meeting of the Research Council of European Community Ministers on 19 December; and if he will make a statement.

Mr. Butcher: The Community's Council of Ministers (Research) met on 19 December 1984 in Brussels. I represented Her Majesty's Government.

The Council agreed the 1985 work plan for the European strategic programme of research on information technology (ESPRIT).

The Council also reached agreement on the financial resources to be devoted to a number of research programmes proposed by the Commission, against a background of budgetary constraints in the Community. The financial commitments foreseen for these programmes amount to 1,225 million ecu. The programmes, summarised as follows, will be formally adopted once a number of details have been finalised and the appropriate procedures completed.

The Community's thermonuclear fusion programme has provisionally been allocated 690 million ecu for the period 1985-89. The aim of the programme is to look at thermonuclear fusion in relation to future energy strategies. There are two elements to the programme: first, the Joint European Torus (JET) at UKAEA, Culham, forms the basis of research into controlled thermonuclear fusion; and, secondly, work on the fusion physics Next European Torus (NET), and so on.

The third non-nuclear energy programme—allocated 175 million ecu for 1985-88—is concerned with the efficient management and rational use of energy and its supply for renewable sources. To this end there are nine sub-programmes covering research into solar energy, biomass, wind energy, geothermal energy, energy conservation, solid fuels, new energy carriers, energy systems analysis and hydrocarbon.

Basic research in industrial technologies for Europe, known as BRITE, has been allocated 125 million ecu and will run from 1985 to 1988. The programme is designed to improve the technological base of the more traditional industries in the Community and to encourage the introduction of advanced technology to these industries.

A biotechnology programme, with funds of 55 million ecu running from 1985 to 1989, will include research and development on basic technology and training, development of culture collections, data banks, action on patents; with specific actions aimed at the agrofood, chemical and health care industries.

Programmes in radiation protection and the management of radioactive waste have been jointly allocated 120 million ecu and will be starting in 1985 to finish in 1989. The aim of the research into radiation protection is to evaluate the effects and hazards arising from exposure to natural or man-made ionising radiation. This will particularly involve research into radiation dosimetry, radioactivity in the environment, radiation as a cause of cancer or genetic change. The radioactive waste programme will be looking at ways to treat and safely dispose of waste and the establishment of underground laboratories for that purpose in some other member states.

A programme to stimulate European co-operation and scientific and technical interchange is to run from 1985 to 1988 at a cost of 60 million ecu. The aim of the programme is to aid the mobility of scientists, improve communication and exchange of information between scientists, and generally to develop co-operation in the field of European science and technology.

The Council agreed that the work proposal by the Commission in the field of reactor safety should be integrated with that of the joint research centre at no additional cost.

FOREIGN AND COMMONWEALTH AFFAIRS

Cyprus

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs whether the future of the two United Kingdom sovereign bases in the island of Cyprus is on the agenda of the present talks on the future constitution of the Republic of Cyprus between the leaders of the Greek and Turkish Cypriot communities and the United Nations Secretary-General in New York.

Mr. Renton: No.

NATIONAL FINANCE

Newspapers, Books and Periodicals (VAT)

Mr. Greenway asked the Chancellor of the Exchequer in what European Economic Community countries value added tax is charged on newspapers, books and periodicals; and if he will make a statement.

Mr. Hayhoe: I refer my hon. Friend to my reply on 30 November, at column *605*, to my hon. Friend the Member for York (Mr. Gregory).

Manufactured Goods

Mr. Spearing asked the Chancellor of the Exchequer what is the deficit in trade in manufactured goods between

the United Kingdom and other members of the European Economic Community for 1984, estimated if necessary, based on quarterly figures.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

SOCIAL SERVICES

Low Pay

Ms. Clare Short asked the Secretary of State for Social Services if he will make a statement on the recommendation in the recent report from the west midlands low pay unit, a copy of which has been sent to him, about the effect of the eligibility conditions for national insurance contributions on some groups of claimants; and if he will consider seeking to enable workers in this situation to have at least some of their contributions refunded.

Mr. Newton: Refunds of contributions can be made only if the contributions were paid in error. Under the present arrangements, liability for national insurance contributions is assessed at the time earnings are paid. The contributions paid in any particlar week or month are not affected by any subsequent earnings, or lack of earnings. As my right hon. Friend told the House on 27 November, we are looking at the structure of national insurance, including the lower and upper earnings limits.

Adoptions

Sir John Biggs-Davison asked the Secretary of State for Social Services what estimate he has made of the number of babies available for adoption annually.

Mr. John Patten: The information is not available in the form requested. The table gives the number of adoptions of children aged under two years where neither of the adopters was a parent.

Adoptions by joint adopters (neither a parent) England and Wales 1979-1983

Year	*Children under 2 years when adopted*
1979	2,918
1980	2,903
1981	2,701
1982	2,507
1983	2,276

Death Grant

Mr. Butterfill asked the Secretary of State for Social Services whether he will publish in the *Official Report* the provisions that exist in other European Economic Community member countries for assistance towards the costs of funerals and burials.

Mr. Whitney: I refer my hon. Friend to section V of the Department's publication, "Tables of Social Benefit Systems in the Member States of the European Communities, Portugal and Spain (Position at 1 January 1984)", a copy of which is in the Library.

Employment of Children Act 1973

Mr. Dubs asked the Secretary of State for Social Services what would be the cost of implementing the Employment of Children Act 1973; and what would be the main elements making up these costs.

Mr. John Patten: Information on the costs of implementing the Employment of Children Act 1973 is not available. Following consultation with local authority associations in 1975 and 1977 on the introduction of new regulations under the Act, it was agreed the implementation would have considerable resource implications for local authorities. One of the main costs envisaged was in respect of additional staff for their effective administration.

Drug Advisory Committees

Mr. Rathbone asked the Secretary of State for Social Services (1) which local health authorities have set up drug advisory committees; and for how long each has been operating;

(2) what reports he has had of regional health authority multidisciplinary drug problem teams' operations; and what plans he has for their further development;

(3) which regional health authorities have established a multi-disciplinary regional drug problem team;

(4) what reports he has had of the work of local health authority drug advisory committees; and what plans he has for their further development.

Mr. John Patten: Our officials are currently analysing the responses we have received from regional health authorities about these and other aspects of service provision for drug misusers. I shall write to my hon. Friend when the analysis is complete.

Homeless Persons

Mr. Greenway asked the Secretary of State for Social Services (1) what steps he is taking to alleviate the problems of the totally homeless during extremely cold weather; and if he will make a statement;

(2) if he will take steps to secure the provision of shelter for the totally homeless during extremely cold weather; and if he will make a statement.

Mr. John Patten: Accommodation for the homeless is mainly a matter for local authorities which have specific duties under the Housing (Homeless Persons) Act 1977.

The Secretary of State has a statutory duty under the Supplementary Benefits Act 1976, as amended, to provide and maintain resettlement units where homeless single people without a settled way of life are provided with temporary board and lodging with a view to influencing them to lead a more settled life.

There are vacant beds in virtually all of the 23 resettlement units at present.

Correspondence

Mr. Latham asked the Secretary of State for Social Services when the Minister of State proposes to reply to the letter written to him on 18 September 1984, reference PO (5) 4374/27, regarding Mr. Alan Coleman of 2 Shenton Close, Thurmaston, Leicestershire, about which the hon. Member for Rutland and Melton also spoke to the Minister's Private Office shortly before the Christmas recess and requested an immediate reply.

Mr. Newton: I have written to my hon. Friend today, and regret the delay which has occurred.

Specialist Claims Control

Mr. Gordon Brown asked the Secretary of State for Social Services when he will publish the report on savings attributable to specialist claims control; and whether he will list the basis on which the new calculations are being made.

Mr. Whitney: I refer the hon. Member to my hon. Friend's reply to him on 23 November 1984 at column *327*. The final report of the extended study is still awaited.

Severe Weather Payments

Mr. Gordon Brown asked the Secretary of State for Social Services, pursuant to his reply, *Official Report*, 14 January, column *64*, what sum he estimates will be incurred in meeting claims for exceptionally severe weather payments in respect of the week ended 12 January.

Mr. Newton: Information is not available to estimate the cost of meeting claims for payments of supplementary benefit towards fuel bills in respect of the week ended 12 January.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will make a statement on the future of the exceptionally severe weather payments.

Mr. Newton: We have no plans at present to change the existing provisions relating to single payments for helping supplementary benefit claimants to pay for extra fuel used in periods of exceptionally severe weather. However, the chief adjudication officer will no doubt be looking at the guidance he has issued on the interpretation of the regulations in the light of experience. More generally, we are looking at the provision for meeting special expenses of this sort in the context of the supplementary benefit review.

Mr. Gordon Brown asked the Secretary of State for Social Services how much was paid out in exceptionally severe weather payments in 1981, 1982, 1983 and 1984.

Mr. Newton: There were no payments made in 1981, 1983 or 1984 under Supplementary Benefit (Single Payments) Regulation 26(1)*(a)*—help with fuel bills in periods of exceptionally severe weather. In 1982, about 280,000 payments were made at a cost of some £3·6 million.

West Midlands Regional Health Authority

Mr. Terry Davis asked the Secretary of State for Social Services who will appoint the management consultants to review the functions and working of the West Midlands regional health authority.

Mr. Kenneth Clarke: The management consultants will be appointed under arrangements to be agreed between the regional health authority and our Department.

Home Dialysis Machines

Mrs. Renée Short asked the Secretary of State for Social Services what proportion of patients receiving renal dialysis treatment have been allocated a home dialysis machine.

Mr. Kenneth Clarke: Data provided by the European Dialysis and Transplant Association show that on 31 December 1982, the most recent date for which information is available, 3,708 patients were being treated by haemodialysis in the United Kingdom, of whom 2,218 —60 per cent.—were receiving haemodialysis at home.

National Society for the Prevention of Cruelty to Children

Mrs. Renée Short asked the Secretary of State for Social Services what level of support he plans to allocate to the National Society for the Prevention of Cruelty to Children during the next two years.

Mr. John Patten: The Department will provide £167,000 in the financial years 1985-86 and 1986-87 towards the headquarters administration expenses of the National Society for the Prevention of Cruelty to Children. In addition, the Department will provide £35,000 during 1985-86 towards the society's programme to second its staff for social work qualifying courses.

Drugs (Wastage)

Mrs. Renée Short asked the Secretary of State for Social Services what is his reaction to the proposals put forward by the pharmaceutical services negotiating committee about prevention of wastage of drugs under the National Health Service.

Mr. Kenneth Clarke: We are always prepared to consider suggestions for reducing the National Health Service drugs bill. The pharmaceutical services negotiating committee — PSNC — supports the Government's limited list proposals in principle and has put its detailed points to us as part of the consultations. Further representations on possible savings from the PSNC are being taken into account in the negotiations on a new contract for pharmacists.

Overseas Pensions Branch

Mrs. Renée Short asked the Secretary of State for Social Services what levels of overtime pay have been allocated to staff in the overseas pensions branch of the Department of Health and Social Security to deal with the claims from pensioners living abroad during the dispute involving computer operators.

Mr. Newton: Since the start of the dispute a total of almost £900,000 has been paid in overtime to staff in the Department's overseas branch.

Gillick Case (Judgment)

Mr. Nicholas Winterton asked the Secretary of State for Social Services when he expects formally to lodge an appeal against the judgment of the Court of Appeal in the Gillick case.

Mr. Kenneth Clarke: The necessary documents are being prepared and will be lodged as soon as possible.

Written Answers to Questions

Monday 21 January 1985

ENVIRONMENT

Violence in Sport

Mr. David Atkinson asked the Secretary of State for the Environment if he will make a statement on progress on measures to combat violence in sport.

Mr. Macfarlane: The Government hav concentrated their efforts on the need to reduce spectator violence associated with soccer, since this properly attracts particular public concern.

Since 1979 the Government have introduced a number of measures aimed at containing and controlling "football hooliganism" at home and abroad. These include strengthening the powers and penalties available to the courts; introducing a "liaison group" to oversee and coordinate the precautions taken by the authorites concerned; drawing the attention of League clubs to the precautions which they should take; and promoting within the Council of Europe a recommendation on the reduction of spectator violence at sporting events, which sets out the precautions which the various counties and authorities should take.

We are now reviewing the current policies and measures with the football authorities. We published for consultation last August the report of an interdepartmental working group; with Ministerial colleagues from the other Departments concerned, I have beem holding a series of meetings with interested representative organisations to discuss the report's conclusions and recommendations. The organisations concerned and the dates of meetings, are:

The Football League—25 September 1984
The Football Trust—5 November 1984
The Football Grounds Improvement Trust—5 November 1984
The Magistrates Association—6 November 1984
The Association of Chief Police Officers—8 November 1984
The Superintendents' Association—8 November 1984
The Police Federation—8 November 1984
The All Party Back Bench Committee on Football—13 November 1984
The Association of County Councils—14 November 1984
The Association of Metropolitan Authorities—14 November 1984
The London Boroughs Association—14 November 1984
The Association of District Councils—14 November 1984
The Scottish Football Association—19 November 1984
The Scottish Football League—19 November 1984
The Welsh Football Association—19 November 1984
The Professional Footballers' Association—26 November 1984
The Football League Executive Staffs' Association—17 December 1984

At my request the Football Association has attended these meetings.

The organisations consulted are now submitting detailed written comments. Once these representations have been properly considered, the Government will make a further statement.

Shire Counties (Expenditure)

Mr. Ashdown asked the Secretary of State for the Environment if he will show for each of the shire counties in England, the amount spent under the following budget heads, expressed as a percentage of the total budget for the last year for which figures are available: *(a)* planning and transportation, *(b)* social services, *(c)* public protection, *(d)* Home Office services, *(e)* recreational and environmental services, and *(f)* central services.

Mr. Kenneth Baker: Following is the information relating to net current expenditure of shire counties in England, based on their 1984-85 budgets. The remaining percentage of expenditure not identified by the categories below relates to other services provided by shire counties, mainly education.

*1984-85 budgets: Current expenditure by service, percentages**

	(a) Planning and transport	*(b) Social services*	*(c) Public protection (police and fire)*	*(d) Other Home Office services*	*(e) Recreation and environment*	*(f) Central services†*
Avon	7·8	12·7	15·8	1·7	1·8	0·2
Bedfordshire	7·7	10·6	14·1	1·7	0·8	0·1
Berkshire	6·5	11·7	13·8	1·6	2·4	−0·7
Buckinghamshire	7·7	10·3	12·6	1·4	1·2	−0·2
Cambridgeshire	8·0	10·1	14·6	1·5	0·3	0·1
Cheshire	8·7	10·6	13·7	1·5	1·4	0·0
Cleveland	9·9	10·5	15·1	1·6	1·0	0·8
Cornwall	11·2	9·4	15·9	1·6	0·6	−0·2
Cumbria	10·4	10·4	15·5	1·6	1·8	−0·4
Derbyshire	7·6	12·3	14·4	1·3	1·6	−0·3
Devon	10·7	10·0	16·8	1·6	2·0	0·1
Dorset	9·4	11·4	17·5	1·9	1·6	0·0
Durham	9·0	10·1	15·5	1·7	1·2	0·7
East Sussex	8·0	14·5	17·0	2·1	2·2	−0·4
Essex	7·7	9·4	14·1	1·4	2·1	0·2
Gloucestershire	8·1	9·2	15·6	1·7	1·0	0·5
Hampshire	7·3	9·5	15·5	1·7	1·4	−0·2
Hereford and Worcester	8·1	10·3	15·2	1·8	1·5	0·0
Hertfordshire	8·3	9·5	12·8	1·5	1·7	−0·4
Humberside	8·3	10·5	15·5	1·4	1·6	0·0

	(a) Planning and transport	(b) Social services	(c) Public protection (police and fire)	(d) Other Home Office services	(e) Recreation and environment	(f) Central services†
Isle of Wight	9·9	10·3	13·0	1·5	1·8	0·0
Kent	8·4	10·2	15·5	1·8	1·9	0·0
Lancashire	8·9	12·4	15·2	1·6	1·2	−0·1
Leicestershire	7·3	11·3	13·5	1·3	1·5	−0·1
Lincolnshire	9·9	9·9	15·3	1·6	1·0	0·1
Norfolk	7·9	10·8	14·6	1·5	1·2	0·3
Northamptonshire	6·0	11·1	13·4	1·5	1·5	0·4
Northumberland	10·6	10·1	17·0	1·7	1·3	−0·3
North Yorkshire	10·1	9·6	15·3	1·4	2·0	−1·6
Nottinghamshire	7·3	13·0	14·2	2·2	1·3	−0·6
Oxfordshire	6·8	10·9	15·0	1·9	1·3	0·1
Salop	8·5	8·1	14·6	1·6	0·5	−0·1
Somerset	9·8	10·2	14·7	1·7	2·6	−0·2
Staffordshire	7·3	8·7	13·9	2·1	1·2	0·3
Suffolk	8·0	9·2	14·9	1·6	1·3	0·9
Surrey	9·9	9·7	14·4	1·5	2·1	0·0
Warwickshire	7·9	9·6	14·8	1·5	1·1	0·4
West Sussex	9·5	10·4	17·1	1·6	2·0	−0·1
Wiltshire	8·1	10·0	14·4	1·8	1·2	−0·1

* Calculated from service detail revalued to cash prices using each county's pay and price provision.
† Comprised of unallocated general administration, unallocated contingencies and other adjustments, as reported.

Government Buildings (Emergency Power)

Mr. Chris Smith asked the Secretary of State for the Environment whether he has taken any recent steps to install emergency electricity generators in any Government administrative buildings.

Sir George Young: No such steps have been taken recently. Standby generators are already installed in all those Government establishments on the Civil estate that are unable to withstand even minimal interruption of the electricity supply.

Rate Support Grant

Mr. Murphy asked the Secretary of State for the Environment if he will give details of the representations received from Welwyn Hatfield district council regarding rate support grant 1985-86 and of the Government's response to the points raised.

Mr. Waldegrave: When I met members of the council in July they sought three changes to the block grant system: a discount for areas with high rateable values per head, an allowance in GRE for the special needs of new towns, and a different treatment of the Metropolitan police precept outside Greater London. They opposed any change in the arrangement whereby potential surpluses on housing revenue account are disregarded. The rate support grant report which the House approved on 16 January meets their concern on the third and fourth points.

Mr. Murphy asked the Secretary of State for the Environment if he will give details of the representations received from Hertfordshire county council regarding rate support grant settlement 1985-86 and of the Government's response to the points made.

Mr. Waldegrave: I shall write to my hon. Friend.

Textiles (EC Allocations)

Mr. Pike asked the Secretary of State for the Environment if he will ensure that allocations made under the European regional development fund non-quota textile measures are additional resources to the recipient authorities.

Sir George Young: In setting public expenditure programmes, the Government take account of anticipated receipts from the European Community and the programmes are consequently higher than they would be otherwise.

Home Insulation Grants

Mr. Hannam asked the Secretary of State for the Environment what increase has been made in the provision for home insulation grants in England contained in the total local authority housing capital allocations for 1985-86, to take account of the first full year of the operation of the topping-up grants for loft insulation under the homes insulation grant scheme.

Sir George Young: Local authorities housing investment programme allocations in England for 1985-86 includes £31 million for the homes insulation scheme.

For 1984-85 the allocation is £35 million. Latest estimates suggest an expenditure of some £31 million for 1984-85, which includes the first 9 months of operation of the scheme since it was extended to the topping-up of existing insulation.

Housing Defects Act 1984

Sir David Price asked the Secretary of State for the Environment whether his Department has now concluded its discussions with the National House Building Council to establish agreed standards of repairs to the various types of pre-fabricated reinforced concrete dwellings designated under the Housing Defects Act 1984.

Mr. Gow: I refer my hon. Friend to the reply which I gave to my hon. Friend the Member for Southampton, Itchen (Mr. Chope) on 9 January 1985 at column *474*.

Local Authorities (Land Disposal)

Mr. Steen asked the Secretary of State for the Environment if he will list the orders he has made

requiring local authorities to dispose of vacant, derelict or under-used land, including the authorities and the acreage involved in each order; when each order takes effect; what the consequences will be; and if he will make a statement.

Mr. Macfarlane: Four directions were made on 19 November 1984, under section 98 of the Local Government Planning and Land Act 1980, in respect of the following:

Location	*Approx. acreage*	*Landowner*
Barmpton Land West, Darlington	3	Darlington borough council
Barton Lane, Clifton Nottingham	17	Nottingham city council
Oozewood Road, Royton	6	Oldham borough council
Doxford Park Way, Silksworth Sunderland	6	Sunderland borough council

The directions, which took effect when they were issued, instructed the landowners to take steps to dispose of the land by tender within a specified period. I am monitoring progress in each case.

Sports Facilities

Mr. John Carlisle asked the Secretary of State for the Environment what proportion of urban aid is designated for new sporting projects; and what offers he has made to local authorities of the pound for pound scheme in the inner cities.

Mr. Macfarlane: Urban programme funds are not allocated for specific purposes: Sports projects have to compete with others for the funds available. In 1983-84, applications valued at £20 million were supported, out of an Urban Programme allocation of £257 million.

The aim of the £-for-£ scheme is to encourage private sector — not local authority — investment in sporting projects and facilities. Following the success of £-for-£ schemes in Merseyside and Bristol, we have made money available to the Sports Council for further schemes in London and the west midlands this year.

Mr. John Carlisle asked the Secretary of State for the Environment whether he intends further to encourage companies to offer the community shared use of sports facilities.

Mr. Macfarlane: Yes, with the Sports Council and other interested organisations.

Mr. John Carlisle asked the Secretary of State for the Environment what sports fields and other former recreational lands are currently classified as derelict land on the Land Register.

Mr. Macfarlane: Land registers record details of unused or underused land owned by public bodies; not all such land is derelict. The current or previous use of 215 sites comprising 5,500 acres of registered land is shown as "leisure or recreations". The computerised information we maintain on all registers does not classify sports fields separately.

Mr. John Carlisle asked the Secretary of State for the Environment what response he has received from the 100 businesses he contacted in 1983 asking them to review the use of their sporting facilities; and if he will make a statement.

Mr. Macfarlane: The increasing demand for sport and recreation opportunities needs to be met if possible through expanding the use of existing facilities, as well as through new provision. My initiative in writing to the chairmen of the 100 top companies was designed to assess the potential for greater community use of company sports facilities. The response from chairmen was generally positive. We ascertained that most company sports grounds and clubs are already open to the local community, and I am very grateful to the companies concerned for their important contribution to meeting local needs. I asked the sports council to follow up many responses at the local level. They established that in about 20 cases there could be some scope for development. The council continues to pursue these possibilities.

Mr. John Carlisle asked the Secretary of State for the Environment whether, in the new system for monitoring land use changes that commenced in January, he will include sports fields owned by local authorities and others.

Mr. Macfarlane: Sports fields are included under outdoor recreation in the new system for monitoring land use changes and cannot therefore be separately identified. As that system was only introduced on 1 January, it would be premature to consider further subdividing the present 24 categories of land uses.

Private Sector Housing Development

Mr. Rooker asked the Secretary of State for the Environment if he will bring forward legislation to empower a local authority to secure the satisfactory internal layout of a proposed private sector housing development.

Mr. Gow: No.

Non-quota Textile Measures

Mr. Pike asked the Secretary of State for the Environment when he expects the first allocations under the European regional development fund non-quota textile measures to be given to the recipient authorities.

Sir George Young: We shall be inviting applications from local authorities soon and expect to take decisions on the allocation of non-quota aid for infrastructure works once their proposals are received, probably in March or April. Authorities were given guidance some months ago about the schemes which would be eligible for assistance and this should enable them to respond quickly and effectively.

Housing Corporation

Mr. Heddle asked the Secretary of State for the Environment whether he has decided the breakdown of the Housing Corporation's approved development programme for 1985-86.

Mr. Gow: My right hon. Friend announced on 18 December that the gross provision for the Housing Corporation in 1985-86 was £685 million, comprising an allocation of £605 million plus an estimated £80 million of capital receipts. Of the gross provision of £685 million, £500 million will be needed to meet existing commitments on fair rent and hostel projects, and £85 million to meet commitments on low cost home ownership projects.

The balance of the provision will be used largely to finance new projects for rent, and low cost home ownership including provision for the new scheme for tenants of charitable housing associations, for which the latest estimate made of the likely cost in 1985-86 is £17 million.

The detailed breakdown of the corporation's approved development programme is as follows:

Housing Corporation—approved development programme 1985-86
(All figures expressed in estimated 1985-86 out-turn prices)

		£ million
Net allocation (cash limit)		605
Receipts		80
Gross allocation		685
Memorandum of authorisation:		
Programme heads		
Existing fair rent and hostel projects		
1. Contracted expenditure (block 1)		380
2. New tenders approved (block 2)		120
3. New fair rent and shared housing projects (block 3)		50
Other tenures		
4.—*(a)* Improvement for sale *(b)* Leasehold schemes for the elderly *(c)* Shared ownership *(d)* Home-ownership for tenants of charitable housing associations	Committed expenditure: 85 New projects: 31	116
5. Major repairs		14
6. Mini Hag		2
		682
7. Right-to-buy mortgages		3
		685

Notes:

1. Included in blocks 2 and 3 (fair rent) and other tenures is an additional amount of £9 million provided by the Secretary of State to cover the cost of certain projects to be undertaken on Merseyside.
2. In addition to provision for low cost home ownership within the ADP a proportion of expenditure on committed and new projects is to be met by the use of index-linked private finance.
3. New fair rent and shared housing projects. The allocation of funds under this head will initiate projects to a total cost of some £460 million to be completed over the next three to four years. About 45 per cent. of these resources will go to provide housing for elderly people. The remainder will be used to help people with a range of disadvantages, financial, physical and social. £7 million will be available for expenditure within the year on new hostel and shared housing projects with a total cost in excess of £40 million.

Survey of London

Mr. Moynihan asked the Secretary of State for the Environment what arrangements are to be made for the future of Survey of London once the Greater London council has been abolished.

Mr. Macfarlane: Responsibility for the Survey of London will pass to the Royal Commission on Historical Monuments. This decision, originally announced in the White paper "Streamlining the Cities" (Cmnd 9063), reflects the long and close relationship between the Royal Commission and the Survey of London which will now continue without disruption.

HOUSE OF COMMONS

Costs

Mr. Thurnham asked the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, if he will give the current total estimated cost for the House during 1984-85, including salaries, allowances, printing and production of *Parliamentary Debates*, buildings and security.

Mr. Beith: Total expenditure, including the salaries and allowances of Members of Parliament but excluding building costs, is currently estimated at £62,576,000, of which £17,533,000 is on the House of Commons Administration Vote for which the House of Commons Commission is directly responsible. The Property Services Agency's parliamentary works programme for 1984-85, which covers both Houses of Parliament, is estimated at £11·333 million.

ATTORNEY-GENERAL

Johnson Matthey Bankers

Mr. Gould asked the Attorney-General what action is being taken to investigate reports that Johnson Matthey Bankers was, amongst other City institutions, the victim of a major currency fraud and to prosecute those responsible; and if he will make a statement.

The Attorney-General: No complaint of this nature has been received by the Director of Public Prosecutions from Johnson Matthey Bankers or any other City institution.

PRIME MINISTER

VJ Day

Sir John Biggs-Davison asked the Prime Minister if, having regard to Her Majesty's Government's final decision on the commemoration of Victory in Europe Day, they will give careful consideration, in good time, to the commemoration of Victory over Japan Day; and if she will take steps to ascertain the intentions in this matter of the other Commonwealth and allied Governments concerned.

The Prime Minister: As I said in the House on 17 January at column 504, we shall remember both occasions in the commemorations. We shall be in touch with other interested Governments about their intentions.

HOME DEPARTMENT

Police (Complaints)

Mr. Cabom asked the Secretary of State for the Home Department how many complaints have been made against police officers in the United Kingdom in the past 11 months; how many have been upheld; how many such complaints have been associated with the miners' strike; and what number of these have been upheld.

Mr. Giles Shaw: My right hon. and learned Friend's responsibility covers police forces in England and Wales. The latest general information available relates to 1983. In that year 19,012 complaints cases (which might relate to a number of separate matters of complaint from one or more complainants) from members of the public were recorded against police officers. Of individual complaints disposed of in the same period, 1,448 were sub stantiated, 14,353 were unsubstantiated (including those in respect of which the Police Complaints Board granted a dispensation under the Police (Withdrawn, Anonymous Etc. Complaints) Regulations), and 14,880 were withdrawn or otherwise not proceeded with.

I understand that in the period from 13 March 1984 to 8 January 1985, 530 complaints were made against police officers relating to actions arising during the course of the miners' dispute and 100 of these have been withdrawn. Most of the complaints are still under investigation and the number so far substantiated could be obtained only at disproportionate cost.

Prisoners (Ethnic Origins)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) what was the ethnic origin of those *(a)* men, *(b)* women and *(c)* juveniles received into prison department establishments in 1983 and 1984;

(2) if he now has an ethnic breakdown of prisoners serving custodial sentences.

Mr. Mellor: Following the introduction on 1 June 1984 of revised procedures for collecting information on the ethnic origin of persons received into prison department establishments, the quality of the data has improved and it is expected that information about receptions will become available later this year. My right hon. and learned Friend will then arrange for its publication. Information about the whole of the sentenced population including those received before 1 June 1984 will not become available until some time later.

Civil Defence

Mr. Neil Thorne asked the Secretary of State for the Home Department what research his Department is carrying out into nuclear, biological and chemical protection of the civilian population; and what priority such research has.

Mr. Giles Shaw: We are continually engaged in a programme of research into protective measures against the effect of modern weapons as determined by the Government's assumptions about the nature of the threat. These are contained in Home Office circular No. ES 1/1984 (a copy of which is in the Library of the House). The work is given a high priority.

Mr. Neil Thorne asked the Secretary of State for the Home Department whether he gives advice to local authorities on how to protect their civil defence radio networks against the effects of nuclear electro-magnetic pulse.

Mr. Giles Shaw: Yes, and consideration is being given to how this guidance might be extended. I will keep the House informed of progress.

Mr. Neil Thorne asked the Secretary of State for the Home Department what progress the working party on local authority communications is making; and when he hopes to have the final report.

Mr. Giles Shaw: The working party on civil defence communications is considering its final report which it hopes to make later this year.

Mr. Leigh asked the Secretary of State for the Home Department what assumption was made for the report on standardisation of training of civil defence volunteers on the numbers that would need to be trained.

Mr. Giles Shaw: The working party made no assumption on numbers.

Prison Department (Dental Charges)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what is the number of court actions *(a)* started in the last year and *(b)* current against the prison department for the non-payment of dental charges.

Mr. Mellor: Seven sets of proceedings have been issued in 1984 against the Home Office or its officers relating to the non-payment of dental charges. One of these actions was struck out, the rest are being defended. Three additional High Court actions which relate to proceedings commenced in 1983 are also current: one of these is a consolidated action relating to non-payment of dental charges: the other two, one of which is at present dormant, relate to compensation for cancelled dental clinics. All these proceedings have been issued by the same person.

Prisoners (Suicides)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners committed suicide in penal establishments in 1984.

Mr. Mellor: Twenty verdicts of suicide have been recorded at inquests on prisoners who died in prison department custody during 1984. Inquests on three further prisoners have yet to be held.

Animals (Experiments)

Mr. Cohen asked the Secretary of State for the Home Department if he will make a statement on the criteria he uses in deciding whether or not to make publicly available information about experiments on living animals.

Mr. Mellor: Apart from the information published in the statistical returns which are presented to Parliament each year, we consider each request for information on its merits, bearing in mind the need to protect confidentiality and physical security.

Police (Computers)

Mr. Cohen asked the Secretary of State for the Home Department whether the review conducted by the Commissioner of Police of the Metropolis into the use within the force of privately-owned computers has been completed; and what decision has been reached.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that he has prohibited the use of privately-owned computers for police purposes.

Mr. Cohen asked the Secretary of State for the Home Department if he will introduce legislation to ensure that the disclosure requirements relating to computers used by the police are the same, regardless of who owns the computers; and if he will make a statement.

Mr. Giles Shaw: There is no need for such legislation as the provisions of the Data Protection Act 1984 apply regardless of who owns the computer.

Deportation Statistics

Mr. Chris Smith asked the Secretary of State for the Home Department how many persons under the age of 20 years have been deported from addresses in the city of London and the boroughs of Westminster, Kensington and Chelsea, Wandsworth, Lambeth, Southwark, Lewisham, Tower Hamlets, Hackney, Islington, and Camden, respectively, in each of the years from 1979 to date.

Mr. Waddington: I regret that this information is not available, but the figures for the United Kingdom as a whole do not suggest that there has been any substantial increase in such deportations since 1979.

Sentencing Policy

Mr. Proctor asked the Secretary of State for the Home Department if he will issue to all magistrates a circular drawing attention to the cost saving between custodial and community service sentences for non-serious offenders as set out in the answer to the hon. Member for Billericay of 16 January; and if he will make a statement.

Mr. Mellor: We have no plans to issue a circular specifically drawing attention to these figures. Magistrates will, however, be aware of the importance we attach to the use of non-custodial penalties where appropriate; and their substantial and increasing use of the community service order in recent years indicates their confidence in it as an alternative disposal.

Imitation Firearms

Mr. Cartwright asked the Secretary of State for the Home Department how many cases of imitation firearms being used in the course of crime have been reported during each of the past five years for which figures are available, in *(a)* England and Wales and *(b)* the Metropolitan police district.

Mr. Giles Shaw: The information requested is given in the following table. Figures for England and Wales are published annually in "Criminal Statistics, England and Wales" (table 3.3 of the issue for 1983, Cmnd. 9349) copies of which are in the Library of the House.

Notifiable offences recorded by the police in which imitation firearms were reported to have been used

Number of offences

	England and Wales	*Metropolitan police district*
1979	144	65
1980	161	64
1981	206	88
1982	183	71
1983	167	57

Mr. Cartwright asked the Secretary of State for the Home Department what representations he has received advocating the strengthening of legislation governing the use of replica firearms; and what reply he has given.

Mr. Giles Shaw: We have received a few such representations, generally as part of representations about a range of firearms issues, often in terms suggesting that the writer does not know of the existing controls on replicas.

In reply, we have referred to the present controls and how they apply to the different categories of imitation firearms. It is already an offence to use any imitation firearms to resist arrest or to commit a crime. Heavy penalties apply in such cases. Those which can be readily converted to fire live ammunition are subject to the firearm certificate procedures. We have pointed out, however, that it is not practicable to restrict the sale or use of toy guns since there are already millions in circulation, and such a control would be ineffective because life-like imitations can easily be constructed by those set on a criminal act.

Mr. Cartwright asked the Secretary of State for the Home Department how many prosecutions under the Firearms Act 1982 relating to imitation firearms have been brought since it came into force; and how many such prosecutions have led to convictions.

Mr. Giles Shaw: Prosecutions relating to imitation firearms would be brought under the Firearms Acts 1968 and 1982. The information collected centrally on court proceedings (unlike that on notifiable offences recorded by the police) does not distinguish offences involving imitation firearms and such information could be provided only at disproportionate cost.

Mr. Cartwright asked the Secretary of State for the Home Department whether any examples have been drawn to his attention of imitation weapons which fall outside the scope of the Firearms Act 1982 being used for criminal purposes.

Mr. Giles Shaw: There have been cases where toy guns, and imitation firearms which were not readily convertible to fire live ammunition, have been used in crime. Such articles are outside the scope of the Firearms Act 1982, but the possession of any imitation firearm while committing an offence is punishable with heavy penalties.

Firearms Act 1982

Mr. Cartwright asked the Secretary of State for the Home Department whether he has any plans to review the scope and effectiveness of the Firearms Act 1982.

Mr. Giles Shaw: We have no plans to do so at present.

Mr. Yasser Arafat

Mr. Latham asked the Secretary of State for the Home Department if he has received any inquiries since 19 December 1984, whether oral or written, that Yasser Arafat should be granted a visa to enter the United Kingdom in the near future; and if he will make a statement.

Mr. Waddington: We have received no such inquiries.

Hotel Television Licences

Mr. Hicks asked the Secretary of State for the Home Department what is the total revenue derived from hotel television licences in 1984; and what is the estimated amount for 1985 under the new arrangements for hotel television licensing.

Mr. Giles Shaw: Television licence fee revenue paid by hotels in 1984 is not separately recorded, but we estimate that it was about £1 million. We estimate that under the new licensing requirements for hotels revenue from this source in 1985 will be some £3 million.

Prevention of Terrorism

Mr. Tony Lloyd asked the Secretary of State for the Home Department (1) if he will indicate the number of people held under the Prevention of Terrorism Act between 1 January 1983 and the present; and, of these, how many were detained *(a)* whilst Parliament was in recess and *(b)* while Parliament was sitting;

(2) if he will indicate the number of people held under the Prevention of Terrorism Act from 1983 onwards together with *(a)* a breakdown of this total by country of origin, *(b)* the number of these whose period of detention was extended by his Department who were subsequently charged, *(c)* the number of these whose period of detention was extended by his Department who were subsequently released without charge and *(d)* a breakdown of the reasons for his Department's decision to extend the period of detention.

Mr. Brittan: I will reply as soon as possible.

Coal Industry Dispute

Mr. Marlow asked the Secretary of State for the Home Department what information is available to him from the daily reports provided to him through the National Reporting Centre about the average number of pickets employed by the National Union of Mineworkers for each week of the strike.

Mr. Giles Shaw: The reports do not contain this information.

Winson Green Prison

Mr. Terry Davis asked the Secretary of State for the Home Department how many prison ministers have been appointed at Winson Green prison in Birmingham.

Mr. Mellor: There are two full-time chaplains—one Church of England, one Roman Catholic—and one part-time Methodist chaplain. There is also a full-time Church Army captain. In addition, there are 8 other Ministers accredited to visit inmates of particular religious faiths.

Assisted Prison Visits Scheme

Mr. Terry Davis asked the Secretary of State for the Home Department how many people received assistance with the cost of visits to prisoners under the assisted prison scheme during the financial year 1983-84.

Mr. Mellor: The Department of Health and Social Security administer the scheme on behalf of the Home Office. I am advised that the number of giro transactions and travel warrants issued is recorded, but not the number of persons involved.

Departmental Staff

Mr. Terry Davis asked the Secretary of State for the Home Department, how many civil servants were employed in P5 division in December 1984.

Mr. Brittan: On 31 December 1984 there were 33 civil servants in post in P5 division out of a complement of 34.

Citizenship

Mr. Freeson asked the Secretary of State for the Home Department, in what circumstances a stateless person, married to a British citizen, working and resident indefinitely abroad, may acquire British citizenship.

Mr. Waddington [*pursuant to his reply*, 17 January 1985, c. *177*].

A person, whether stateless or not, who is married to a British citizen may apply for naturalisation if he or she can meet the requirements set out in schedule 1 to the British Nationality Act 1981.

ENERGY

Coal Industry Dispute

Mr. Deakins asked the Secretary of State for Energy how many face workers have returned to work at National Coal Board pits since the start of the current dispute; and what is the current output of coal.

Mr. David Hunt: Figures are not collected in the form requested. Since the dispute began there have been over 28,000 new faces reporting for work making a total of more than 75,000. The latest published figures for coal production are in the December edition of *Energy Trends*.

Coal Mines (Investment)

Mr. Deakins asked the Secretary of State for Energy how many coal mines have received less than £10 million of investment since May 1979; and of these how many have received less than £5 million and £1 million respectively.

Mr. Peter Walker: The National Coal Board informs me that since the beginning of the 1979-80 financial year 89 operational collieries have received investment, including an estimate of plant pool equipment allocated to

individual collieries, of more than £10 million. 43 have received investment of between £5 million and £10 million and 37 investment of between £1 million and £5 million. No operational colliery has received less than £1 million. This represents a remarkable record compared with other European countries or with investment under previous Governments.

Power Stations (Sulphur Dioxide Emissions)

Mr. Chris Smith asked the Secretary of State for Energy (1) whether the Government are taking steps to reduce sulphur dioxide emissions from power stations by encouraging energy conservation or electricity conservation; and if he will make a statement;

(2) what sum, as a proportion of expenditure and in total, his Department has spent in the last two years for which figures are available, and what sum it is planned to spend in the next two years, in order to investigate electricity or energy conservation as a means of reducing sulphur dioxide emissions from power stations.

Mr. Goodlad: Expenditure on means of reducing sulphur dioxide emissions from power stations is primarily the responsibility of the CEGB. My Department has supported work on promising advanced technologies that could reduce power station emissions. As announced on 24 January 1984, we are contributing, together with the BGC, CEGB and the NCB to two engineering design studies of commercial scale coal fired power stations using the slagging gasifier and a pressurised fluidised bed combustor. The Department's contribution totals £626,000 most of which will be spent in the next two years.

My Department has also contributed some £17 million over the past eight years to the construction and operation of the experimental pressurised fluidised bed facility at Grimethorpe under the auspices of the International Energy Agency. £6·5 million of this expenditure was incurred over the past two years. The NCB and CEGB announced last May that they will jointly finance continuation of this work over the next two years at a cost of £25 million. The energy efficiency campaign my right hon. Friend launched on taking up his present responsibilities would also make an important contribution to controlling emissions from power stations and from industry. This is aimed at persuading consumers to realise cost-effective energy savings equivalent to some 20 per cent. of present energy consumption.

Electricity Generation

Mr. Chris Smith asked the Secretary of State for Energy what proportion of electricity he estimates will be generated by nuclear power in 1990; and what proportion of electricity is currently generated by nuclear power.

Mr. Goodlad: In 1983 nuclear electricity contributed 17·8 per cent. of all electricity available from the United Kingdom public supply system. A comparable figure for 1984 is not yet available. The future nuclear share will depend on a number of factors, including the level of electricity demand. When the three AGRs currently being commissioned at Dungeness B, Heysham 1 and Hartlepool are fully operational, the proportion of the expected demand met by nuclear electricity could rise to about 21 per cent. With the completion and full commissioning around the end of this decade of the two further AGRs under construction, the contribution could reach about 25 per cent.

"Energy in a Finite World"

Mr. Ashdown asked the Secretary of State for Energy to what extent the Government have used information in, "Energy in a Finite World", produced by the International Institute for Applied System Analysis, as the basis for the Government's policy on nuclear energy and, in particular, on fast breeder reactors.

Mr. Goodlad: My Department has not used this study as a basis for its work.

Uranium (Namibia)

Mr. Ashley asked the Secretary of State for Energy (1) whether the Central Electricity Generating Board's contract for uranium oxide from the Rossing mine in Namibia has now been fulfilled;

(2) what were the reasons for delays in supplies which led to the completion date for the Central Electricity Generating Board's contract for uranium oxide from the Rossing mine in Namibia being put back.

Mr. Goodlad: Deliveries under the contract were completed in December 1984. Supplies due to be delivered between 1976 and 1982 were rescheduled in the late 1970s because of early operational difficulties at the mine.

North Sea Oil (Price)

Mr. Skeet asked the Secretary of State for Energy if, before the meeting of the Organisation of Petroleum Exporting Countries ministers on 28 January, he will instruct the British National Oil Corporation to set an official price for North sea oil more closely related to spot market prices.

Mr. Buchanan-Smith: No.

Norwegian Oil (Price)

Mr. Skeet asked the Secretary of State for Energy what information he has concerning the recent decision of the Norwegian Government to bring the official price of Norwegian oil more into line with spot market prices.

Mr. Buchanan-Smith: There is no official price for Norwegian oil. The Norwegian Government sets a norm price at which Norwegian production is valued for tax purposes but it is set retrospectively. I understand that Statoil has been discussing with its customers the price of its oil for December and January.

TRADE AND INDUSTRY

Information Technology

Mr. Leighton asked the Secretary of State for Trade and Industry what is the United Kingdom's balance of trade in information technology; and how many were employed in this field in each year since 1979.

Mr. Butcher: Using a definition of information technology, which covers office machinery, data processing equipment, telecommunications equipment,

electrical instruments and control systems, radio and electronic capital goods, electronic components (including microelectronics and semi-conductors) and consumer electronics but excluding tapes, records, software and computer services, the figures for balance of trade are:

	Deficit £ million
1979	443
1980	356
1981	1,061
1982	1,480
1983	2,100

Average employment in the sector, but including the manufacture of tapes and records, is as follows:

	Numbers
1979	448,000
1980	436,000
1981	407,000
1982	399,000
1983	402,000
1984	*411,000

*Mid-year count.

Departmental Financial Support

Mr. Forman asked the Secretary of State for Trade and Industry what proportion of total financial support from his Department was spent on *(a)* established industries and technologies and *(b)* new industries and technologies in 1979 and at the latest available date, respectively.

Mr. Butcher: The objective of the Department's support in this area is not to distinguish between new and established industries but to stimulate innovation and the use of the latest appropriate technology, in all industries. As a percentage of the total, but declining, expenditure of the Department of Trade and Industry, scientific and technological assistance offered has risen from 6·3 per cent. in 1979-80 to 21·4 per cent. in 1983-84. That is from £142 million to £342 million.

Trade Statistics

Mr. Stuart Holland asked the Secretary of State for Trade and Industry what was the share of the largest 100 United Kingdom manufacturing companies in *(a)* gross/net manufacturing value added, *(b)* total manufacturing employment and *(c)* total manufacturing assets in 1979 and 1983.

Mr. Butcher: Figures provided in the following table relate to the manufacturing activity of the top 100 enterprises in the private sector, defined in terms of their employment in manufacturing. No comparable estimates are available for the stock of manufacturing assets, but figures are shown for net capital expenditure incurred in each year. Estimates relating to 1983 are not yet available.

Share of total manufacturing activity accounted for by top 100 private sector enterprises (per cent.)

	Gross value added	*Employment*	*Net capital expenditure*
1979	37	35	40
1982	38	35	37

Source: annual census of production.

Mr. Stuart Holland asked the Secretary of State for Trade and Industry how many firms represented the upper half of retail sales in the United Kingdom in 1982.

Mr. Butcher: In 1982 the largest 138 individual companies accounted for one half of retail sales in Great Britain.

British Space Industry

Mr. Batiste asked the Secretary of State for Trade and Industry what are the Government's policy objectives concerning the use and exploitation of space and the development of the British space industry.

Mr. Butcher: The Government's primary objectives in space are to assist the development and maintenance of competitive industrial and commercial organisations able to produce and exploit space hardware, software and services, particularly in the fields of communications and remote sensing; and to make use of space techniques in its own activities, to maximum national benefit, for example by undertaking a balanced programme of research at the frontiers of knowledge in the major areas of space science. The Government pursue these objectives through a suitable combination of national and international programmes.

BL Corporate Plan

Mr. Alan Howarth asked the Secretary of State for Trade and Industry if he will place a copy of British Leyland's 1985 corporate plan in the Library.

Mr. Butcher: A review of BL performance in 1984 and the BL 1985 corporate plan will be placed in the Library in accordance with customary procedure when the Government's decisions on it are announced.

Civil Research and Development Expenditure

Mr. Ashdown asked the Secretary of State for Trade and Industry if he will indicate the current level of civil research and development expenditure, expressed as a percentage of gross domestic product; and if he will make a statement.

Mr. Pattie: Civil research and development expenditure performed in the United Kingdom by all sectors of the economy was 1·8 per cent. of the gross domestic product in 1981, the latest available year. The information is obtained from an annual article on research and development expenditure published in *Economic Trends*, the latest was in August 1984.

British Aerospace Space Freighter

Mr. Ashton asked the Secretary of State for Trade and Industry what position he proposes to adopt in respect of the next European Space Agency Council meeting regarding the British Aerospace space freighter.

Mr. Butcher: British Aerospace has proposed an attractive concept for a versatile space platform — a "space freighter". Whether this should now be pursued as a planned European contribution to the international space station is one of the issues my hon. Friend the Minister for Industry and Information Technology will be taking up at the forthcoming ESA Ministerial Council meeting.

European Space Agency

Mr. Ashton asked the Secretary of State for Trade and Industry what is his policy regarding the concept of a non-policy making administrative body as an alternative to a space agency in Europe.

Mr. Butcher: The Government believes that the European Space Agency has proved a successful and valuable organisation as presently constituted.

Mr. Ashton asked the Secretary of State for Trade and Industry what has been the United Kingdom contribution to the European Space Agency since 1975; and what the level of this contribution is expected to be for 1985.

Mr. Butcher: United Kingdom contributions to the European Space Agency since 1975 have been as follows:

£ million

	DTI	*SERC**	*Met. Office*	*Total*
1975-76	22·8	6·3	—	29·1
1976-77	31·5	6·8	—	38·3
1977-78	31·2	8·4	—	39·6
1978-79	30·6	8·6	0·6	39·8
1979-80	33·3	8·0	1·1	42·4
1980-81	40·2	8·4	0·7	49·3
1981-82	53·2	8·3	0·8	62·3
1982-83	54·6	8·4	1·3	64·3
1983-84	51·2	10·3	3·6	65·1
1984-85†	53·3	11·3	5·9	70·5

* Science and Engineering Research Council
† Estimated

The United Kingdom contribution to ESA for 1985-86 has not been finalised and may be affected by the outcome of the ESA Ministerial Council meeting next week. It is however likely that the total contribution will be slightly increased in 1985-86.

Independent Space Agency

Mr. Ashton asked the Secretary of State for Trade and Industry if, prior to the European Space Agency Council meeting in Rome on 30 January, he will make a statement on his policy regarding an independent space agency for Britain.

Mr. Butcher: I will reply to the hon. Member as soon as possible.

Shipbuilding (Investment)

Mr. Wilson asked the Secretary of State for Trade and Industry what assistance in the form of subsidy and investment his Department is prepared to give to the state-owned merchant shipbuilding industry and to the associated construction of slow-speed marine diesel engines.

Mr. Butcher: £137 million of the external finance which the Department is providing to British Shipbuilders in 1984-85 is primarily to support merchant shipbuilding and engine building. For 1985-86 the Government have announced an EFL for the whole of British Shipbuilders of £36 million, after taking account of the expected proceeds of sale of the warship yards. A detailed breakdown of support specifically for slow-speed marine diesel engine building is not available.

CIVIL SERVICE

GCHQ, Cheltenham

Mr. Dalyell asked the Minister for the Civil Service what replies have been received by the central transfer unit from employees at Cheltenham regarding transfers of staff.

Mr. Hayhoe: The staff transfer unit does not enter into direct correspondence with individual employees regarding transfers. All negotiations on transfers from Cheltenham take place with the local deployment staff.

NORTHERN IRELAND

Store Cattle (Exports)

Mr. Nicholson asked the Secretary of State for Northern Ireland how many store cattle were exported from Northern Ireland to other regions of the United Kingdom in each of the last three years.

Dr. Boyson: I shall reply to the hon. Gentleman as soon as possible.

THE ARTS

Arts Funding

25. **Mr. Kirkwood** asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will list the conditions attached to money for funding the arts given to the regions under the proposals contained in "The Glory of the Garden".

Mr. Waldegrave: The Arts Council has not yet finalised its grants to the regions under the "Glory of the Garden" proposals. Any conditions will vary from case to case.

National Gallery

26. **Sir David Price** asked the Parliamentary Under-Secretary of State answering in respect of the Arts why the annual purchase grant for the National Gallery has been reduced from £3·33 million for 1984-85 to £2·75 million for 1985-86; and what is the real reduction in the purchasing power of the grant, given the anticipated level of inflation and the higher rate of increase in saleroom prices for major works of art

Mr. Waldegrave: In allocating the arts budget for 1985-86, my right hon. and noble Friend decided to give greater emphasis to the conservation and housing of collections than to new acquisitions. The National Gallery's net running costs provision will be increased by 5·3 per cent. above the current year; and it should benefit from the 15 per cent. rise in the overall museum and gallery building and maintenance programme. The real value of its purchasing grant will depend on future price levels of relevant works of art, which cannot be predicted.

Yorkshire Water Colour Society

Mr. Mason asked the Parliamentary Under-Secretary of State answering in respect of the Arts if he will arrange for an exhibition relating to the Yorkshire Water Colour Society to be displayed in the Upper Waiting Hall.

Mr. Waldegrave: I understand that arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall on 18 March 1985.

Museums and Galleries (Attendance Figures)

Mr. Faulds asked the Parliamentary Under-Secretary of State answering in respect of the Arts whether he will publish in the *Official Report* the attendance figures for 1984 reported by the national museums and galleries in England, broken down to the individual institutions but comprising their outstations, with figures in each case of the percentage increase or decrease on the attendance figures for 1983.

Mr. Waldegrave [*pursuant to his reply*, 9 January 1985, c. *426*]: The information requested is as follows:

	Estimated attendance in 1984	*Percentage change from 1983*
British Museum	3,467,044	+12·6
Imperial War Museum	1,365,888	+8·8
National Gallery	2,936,926	+1·4
National Maritime Museum	600,000	*
National Portrait Gallery	581,395	+24·2
Science Museum	4,510,103	−5·7
Tate Gallery	1,265,605	−0·3
Victoria & Albert Museum	2,079,204	−6·4
Wallace Collection	177,613	+0·2

* No quantifiable change.

The estimated figure for attendance at the Imperial War Museum includes visitors to the Cabinet war rooms in Whitehall which were opened to the public on 6 April 1984. Admission charges were introduced at the National Maritime Museum in April 1984, and the figure quoted is an approximate estimate based partly on the number of admission tickets sold, some of which cover more than one entrant or visit. Other museums record visitors manually, and in most cases the figures are regarded as being accurate to within about 5 per cent. This limits the interpretation of apparent annual changes in attendance, which may also be affected by other factors at individual museums and galleries.

EMPLOYMENT

Methyl Isocyanate

Mr. Kilroy-Silk asked the Secretary of State for Employment if he will list the four places in the United Kingdom where methyl isocyanate is stored for research purposes; how much is stored at each location; in how many containers; what are the research purposes; and what precise controls are imposed by the Health and Safety Executive.

Mr. Peter Bottomley: I will write to the hon. Member about the location and use of methyl isocyanate, as there are statutory restrictions on the public disclosure of such information. With regard to controls, work with methyl isocyanate is covered by the general duties of employers under sections 2 and 3 of the Health and Safety at Work etc. Act 1974. The substance is subject to the Classification, Packaging and Labelling of Dangerous Substances Regulations 1984 and the Control of Industrial Major Accident Hazard Regulations 1984.

Children (Accidents)

Mr. Dubs asked the Secretary of State for Employment what are the latest available figures of fatal accidents to children aged 16 years and under while at work, of major accidents among that age group at work, and of all reported accidents at work to children aged 16 years and under.

Mr. Peter Bottomley: There were six fatal injuries in 1983 to children aged 16 years and under, at work or on Government training schemes, reported to inspectors of the Health and Safety Executive.

There were 510 major accidents and 3604 reported accidents in 1982, the latest year for which figures are readily available. These figures may exclude some accidents on government training schemes. Figures for cases reported to local authorities could not be gathered without disproportionate cost.

Children (Illegal Employment)

Mr. Dubs asked the Secretary of State for Employment how many employers were prosecuted by the Health and Safety Inspectorate for the illegal employment of children; and how many cases and convictions were involved for each year since 1979.

Mr. Peter Bottomley: The table shows details of prosecutions for illegal employment of children taken by the Health and Safety Executive's inspectors. Prosecutions taken by other authorities for the illegal employment of children are not reported to the Health and Safety Executive.

	Employers prosecuted	**Informations laid*	*Convictions*
1979	9	14	13
1980	8	18	18
1981	4	5	5
1982	3	10	10
1983†	3	8	8

* One case can cover several informations.
† Provisional.

Homosexuals (Discrimination)

Mr. Tom Cox asked the Secretary of State for Employment how his Department monitors compliance with Recommendation 924 of the Council of Europe on discrimination against homosexuals.

Mr. Alan Clark: The Government have no obligation to comply with this recommendation.

Mr. Tom Cox asked the Secretary of State for Employment if he will introduce legislation to render unlawful discrimination in employment on grounds of homosexuality.

Mr. Alan Clark: No. This is a subject upon which widely differing views are held, and we do not consider that such legislation would command a sufficient degree of public support for it to be effective.

Strikes

Mr. Peter Bruinvels asked the Secretary of State for Employment how many working days were lost through strikes in 1984; if he will state the comparable figures for 1982 and 1983; and if he will make a statement.

Mr. Alan Clark: Figures for 1984, together with the comparable figures for 1982 and 1983, will be published on 31 January in table 4.2 of the labour market data section of the January 1985 issue of the *Employment Gazette*, a copy of which will be placed in the Library.

Youth Training

Mr. Freud asked the Secretary of State for Employment, (1) pursuant to his reply to the hon. Member for Cambridgeshire, North-East of 14 January, *Official Report*, columns *35-36*, about youth training scheme mode A schemes, whether he will list the proportion of payments made for vacated places in 1983-84 for which the maximum of £12 was adjudged payable;

(2) pursuant to his reply to the hon. Member for Cambridgeshire, North-East of 14 January, *Official Report*, columns *35-36*, whether he will publish the administrative cost of running the youth training scheme discretionary compensation scheme for vacated places in 1983-84.

Mr. Peter Morrison: The precise information requested is not available centrally, and could only be obtained at disproportionate cost.

Mr. Sheerman asked the Secretary of State for Employment how many young people were in training on the youth training scheme at the end of each month from April 1983 to August 1984, by mode; and how many young people were in training *(a)* on current year schemes and *(b)* on previous year schemes at the end of each month from September 1984 to the latest available month, also by mode.

Mr. Peter Morrison: I shall reply to the hon. Member as soon as possible.

Trade Union Subscriptions

Mr. Nicholas Winterton asked the Secretary of State for Employment what information he has concerning the number of employees covered by union dues check-off systems in *(a)* the public sector and *(b)* the private sector.

Mr. Peter Bottomley: Information on the number of employees covered by check-off arrangements is not available. However according to the 1980 workplace industrial relations survey 65 per cent. of all public sector and 35 per cent. of all private sector establishments employing manual workers operated check-off arrangements. The corresponding figures for non-manual workers were 62 per cent. in the public sector and 18 per cent. in the private sector. A TUC survey in 1979 suggested that some 50 per cent. of union members were covered by check-off arrangements.

Mr. Nicholas Winterton asked the Secretary of State for Employment (1) whether he has any plans to introduce legislation on the subject of the union dues check-off system;

(2) what steps he intends to take to deal with abuses of the union dues check-off system;

(3) if he will introduce legislation to prohibit the automatic deduction by employers from the wages of employees of trade union subscriptions.

Mr. Peter Bottomley: The Trade Union Act 1984 has already dealt with a serious abuse of the check-off system by making it unlawful for employers to deduct the political levy from the pay of trade union members who have notified them that they have contracted out. My right hon. Friend and I will be considering the whole question of deductions from pay as part of our current consultations on protection of wages.

Mr. Nicholas Winterton asked the Secretary of State for Employment (1) what representations he has received recently concerning the union dues check-off system;

(2) what information he has concerning the number of reported abuses of the union dues check-off system; and how many of these cases resulted in criminal prosecutions.

Mr. Peter Bottomley: We have recently received several representations from the director of the Construction Plant Hire Association about the collection of trade unions subscriptions by check-off, some of which have been passed on to us by the hon. Member for Macclesfield. We are not aware of any abuses of this system which have led to criminal prosecutions but there are problems associated with, for example, the deduction of compulsory, special union levies which have given cause for concern.

Youth Training Scheme (Leicestershire)

Mr. Latham asked the Secretary of State for Employment whether he will request the Manpower Services Commission to re-examine the availability of resources for mode B schemes serving rural areas in Leicestershire and to sustain the provision at current levels.

Mr. Peter Morrison: The Manpower Services Commission is currently finalising its plans for youth training scheme provision in Leicestershire for 1985-86. Mode B provision in the county in 1984-85 exceeded the demand from young people and in the light of that, and the availability of employer-based provision in mode A, some reduction in the number of mode B may be justified.

Melton Would Workers Scheme

Mr. Latham asked the Secretary of State for Employment whether he will request the Manpower Services Commission to maintain funding for the Melton Would workers scheme at a sufficient level to maintain 35 places for young people.

Mr. Peter Morrison: I understand that plans for youth training scheme provision in Melton in 1985-86 have not yet been completed, but I would expect the Manpower Services Commission to seek as far as possible to meet the demand for places through employer-based programmes under mode A. This is likely to entail some reduction in mode B1 provision in the district but it is not yet clear where the reductions will fall.

Young Persons (Employment Statistics)

Mr. Sheerman asked the Secretary of State for Employment (1) if he will publish for each Manpower

Services Commission area office in the south western region, and for *(a)* 16-year-olds, *(b)* 17-year-olds, and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December;

(2) if he will publish for each Manpower Services Commission area office in the south eastern region, and for *(a)* 16-year-olds, *(b)* 17-year-olds, and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education colleges, and the number and proportion expected to find work outside the youth training scheme by 31 December;

(3) if he will publish for each Manpower Services Commission area office in the north western region, and for *(a)* 16-year-olds, *(b)* 17-year-olds, and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December;

(4) if he will publish for each Manpower Services Commission area office in the midlands region, and for *(a)* 16-year-olds, *(b)* 17-year-olds, and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December;

(5) if he will publish for each Manpower Services Commission area office in the Yorkshire and Humberside region, and for *(a)* 16-year-olds, *(b)* 17-year-olds and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December;

(6) if he will publish for each Manpower Services Commission area office in the northern region, and for *(a)* 16-year-olds, *(b)* 17-year-olds and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December.

Mr. Peter Morrison: The information requested is as follows. It is derived from provisional forecasts of the position in December 1985 made by principal careers officers in the autumn of 1984 and must therefore be regarded as tentative. Principal careers officers have been asked to provide revised forecasts later this month in the light of the better information which is now available to them. There is insufficient information on which to base estimates of leavers from colleges of further education in each area.

Forecast of destination of 1984-85 school leavers by December 1985*

	16 year olds				*17 year olds*				*18 year olds*			
	Leaving school† and entering labour market		*Employed outside YTS*		*Leaving school† and entering labour market*		*Employed outside YTS*		*Leaving school† and entering labour market*		*Employed outside YTS*	
	(000s)	*Per cent.*	*(000s)*	*Per cent.*	*(000s)*	*Per cent.*	*(000s)*	*Per cent.*	*(000s)*	*Per cent.*	*(000s)*	*Per cent.*
Newcastle	6·9	64	1·5	14	0·7	23	0·3	8	0·3	16	0·2	8
Middlesbrough	6·0	63	1·0	10	0·5	18	0·2	6	0·6	28	0·4	17
Washington	7·2	69	1·0	10	0·7	32	0·2	10	0·5	33	0·1	10
Darlington	6·1	66	1·0	11	0·4	22	0·1	3	0·2	13	‡	2
Northern region	26·1	66	4·5	11	2·4	23	0·7	7	1·6	22	0·7	1
Greater Manchester (E)	6·8	59	2·1	18	0·9	31	0·4	14	0·3	18	0·2	13
Merseyside inner	7·7	62	1·2	10	0·8	23	0·2	6	0·9	35	0·5	18
Lancashire	12·2	59	5·1	25	0·6	16	0·3	9	0·9	34	0·6	21
Greater Manchester (N)	9·4	60	2·0	13	0·9	25	0·4	11	0·6	23	0·3	12
Cheshire	8·2	58	2·0	14	0·8	20	0·3	8	0·4	15	0·2	8
Greater Manchester (C)	7·9	59	1·7	12	0·9	25	0·4	11	0·7	26	0·6	20
Cumbria	4·9	66	2·0	28	0·5	25	0·3	14	0·3	21	0·2	13
Merseyside outer	6·6	59	1·0	9	0·8	29	0·3	12	0·3	18	0·2	10
North west region	63·6	60	17·1	16	6·1	24	2·6	10	4·5	24	2·8	15
Sheffield	8·4	66	1·3	11	1·0	30	0·2	7	0·7	33	0·2	10
Wakefield	8·7	65	1·6	12	1·0	37	0·4	15	0·5	31	0·3	17
Hull	9·2	64	2·6	18	1·1	30	0·5	15	0·6	25	0·4	15
Leeds/N Yorks	11·7	57	5·4	26	1·6	26	1·1	18	0·8	19	0·7	18
Bradford	9·9	62	3·1	20	1·6	35	0·7	15	1·4	42	0·6	18
Yorks and Humberside	47·8	62	14·0	18	6·3	31	3·0	15	3·9	29	2·1	16
Derby	8·8	63	2·0	14	0·4	14	0·2	6	0·6	28	0·4	18
Wolverhampton	5·3	60	1·4	16	0·6	26	0·3	12	0·4	28	0·2	14
Coventry	6·5	52	1·3	11	0·6	26	0·2	8	0·7	30	0·3	15
Birmingham	11·5	60	2·9	15	1·7	33	1·0	20	0·8	23	0·3	9
Leicester	12·2	56	6·0	28	2·4	35	1·8	26	0·8	20	0·7	17
Nottingham	10·2	64	2·0	13	0·6	18	0·2	6	0·6	21	0·4	15
Staffordshire	10·5	64	1·5	9	0·8	23	0·3	8	0·7	27	0·5	18
Dudley/Sandwell	6·8	69	1·3	13	0·3	18	0·1	5	0·5	31	0·1	9
Telford	8·6	55	2·3	15	1·0	27	0·4	10	0·5	19	0·2	9

	16 year olds				17 year olds				18 year olds			
	Leaving school† and entering labour market		Employed outside YTS		Leaving school† and entering labour market		Employed outside YTS		Leaving school† and entering labour market		Employed outside YTS	
	(000s)	Per cent.	(000s)	Per cent.	(000s)	Per cent.	(000s)	Per cent.	(000s)	Per cent.	(000s)	Per cent.
Lincoln	4·5	55	1·4	17	0·3	14	0·1	7	0·3	24	0·2	19
Midlands region	84·9	60	22·1	16	8·8	26	4·5	13	5·8	24	3·4	14
Taunton	8·6	62	3·6	26	0·7	23	0·4	14	0·6	28	0·5	22
Gloucester	8·5	56	3·8	25	1·0	29	0·6	17	1·3	50	1·3	48
Plymouth	10·8	56	3·4	18	1·2	24	0·5	11	0·9	28	0·6	20
Bristol	7·3	59	2·5	20	1·1	28	0·6	17	0·7	29	0·6	24
South west region	35·2	58	13·4	22	3·9	26	2·2	15	3·5	34	3·0	28
Luton	8·3	53	2·6	17	1·8	37	0·9	18	1·0	30	0·6	20
Chatham	11·2	50	4·5	20	2·2	31	1·1	16	1·2	31	0·9	23
Horsham	12·2	43	6·8	24	2·9	24	1·9	16	1·8	25	1·4	20
Fareham	11·1	50	4·4	20	2·3	39	1·3	23	1·6	42	1·3	35
Reading	8·1	47	3·3	19	2·0	32	1·3	20	0·9	24	0·8	22
Chelmsford	12·1	56	5·1	24	2·2	34	1·5	23	1·3	31	1·2	27
Ipswich	10·9	59	3·9	21	1·5	32	0·7	15	0·8	30	0·6	21
High Wycombe	11·5	49	5·8	25	2·2	26	1·3	16	1·4	24	1·1	19
South east region	85·2	51	36·3	22	17·1	31	10·1	18	10·1	29	8·0	23

* The figures relate only to school leavers from maintained schools.
† Excludes those entering Further/Higher Education.
‡ Figure less than 50.

Notes:
Percentages are based on the totals eligible to leave school.
Due to independent rounding, the sum of the Area Offices may not always agree with the regional total.
Ages are as at 31 August 1985.

Youth Training Scheme

Mr. Sheerman asked the Secretary of State for Employment how many young people are expected to enter the youth training scheme in 1985-86 on the basis of the eligibility rules announced on 12 November 1984; how many places are expected to be available; and how much the scheme is expected to cost.

Mr. Peter Morrison: On the basis of the eligibility rules announced on 12 November 1984, it is estimated that there are likely to be some 385,000 entrants to youth training scheme programmes in 1985-86. As to places, we are awaiting proposals from the Manpower Services Commission on the scale and balance of provision in 1985-86. As for costs, the supply estimate for 1985-86 will be published in March.

Mr. Sheerman asked the Secretary of State for Employment what is his best estimate of the number of young people who would be eligible to join the youth training scheme in 1985-86 if it catered for all 16-and 17-year-olds who would otherwise be unemployed; how many places would need to be made available; and how much the scheme would cost.

Mr. Peter Morrison: As I said in my reply of 9 January 1985, at column *464*, various proposals for the enhancement of provision for young people are currently being considered, but we are not yet in a position to provide estimates in the form requested.

Unemployment Statistics (Yorkshire)

Mr. Fatchett asked the Secretary of State for Employment if he will provide the latest estimated unemployment rates for the areas covered by the job centre offices in *(a)* Hemsworth and South Elmsall, *(b)* Dewsbury and Batley, *(c)* Bradford inner city, *(d)* Leeds inner city and *(e)* Castleford-Knottingley.

Mr. Alan Clark: Unemployment rates are not calculated for areas smaller than travel-to-work areas. The latest rates for each travel-to-work area, together with the numbers unemployed and corresponding numbers for each local authority district, and job centre areas are available from the House of Commons Library.

Travel-to-Work Areas (West Yorkshire)

Mr. Fatchett asked the Secretary of State for Employment if he will provide the reasons for reducing the number of travel-to-work areas in west Yorkshire from nine to seven; and if he will make a statement.

Mr. Alan Clark: The travel-to-work area boundaries have been revised to reflect the most recent country-wide data on travel-to-work patterns provided by the 1981 census of population. The methods used in this review are described in the supplement to the September 1984 edition of *Employment Gazette*, a copy of which is in the Library. The data used for the review show that some of the nine travel-to-work areas previously identified in west Yorkshire were no longer sufficiently self contained to qualify as travel-to-work areas.

Gas Leaks

Mrs. Rumbold asked the Secretary of State for Employment if, in his review of the two serious gas explosions in a week, he will include in the matter whether there are sufficient telephone lines to gas offices to enable people to report leaks.

Mr. Peter Bottomley: I understand that the British Gas Corporation believes that its existing arrangements are adequate but is keeping them under continual review.

Mrs. Rumbold asked the Secretary of State for Employment if, following the two recent gas explosions, the Health and Safety Executive will review the extent of the smell in North sea gas to establish whether it is strong enough to give sufficient warning of leaks.

Mr. Peter Bottomley: The Gas Quality Regulations which require gas to have a distinctive smell are administered by my right hon. Friend, the Secretary of State for Energy.

The level and type of chemical stenching agent added to gas is such that gas leaks can be detected by smell at a concentration of gas in air which is a fraction of the concentration which will burn or explode. Experience has shown that any increase in the smell results in false alarms which could divert resources from real emergencies. The conclusions of the King report of 1977 were that the oderant used is satisfactory with regard to smell, impact and intensity and that any increase in odour level would not increase safety. The Health and Safety Executive believe this view is still valid.

Mrs. Rumbold asked the Secretary of State for Employment if, following the serious gas explosions in Mitcham and Morden, the Health and Safety Executive will review the nature of the advice given to householders when reporting a gas leak about minimising risk.

Mr. Peter Bottomley: It is the British Gas Corporation's responsibility to advise householders of the risks of the gas it supplies. I am advised that the corporation runs a regular publicity campaign in the press and on television to stress the importance of reporting gas leaks promptly and to advise householders of the action to take in an emergency.

A leaflet for consumers, 'Help Yourself to Gas Safety' is available from British Gas showrooms. The Health and Safety Executive will be putting out a revised leaflet, 'The Gas Regulations for Everybody's Safety'. Its message is that people should report suspected gas leaks promptly, they should turn off the gas supply, open the windows and ensure there is no source of ignition.

OVERSEAS DEVELOPMENT

Ethiopia

Mr. Andrew F. Bennett asked the Secretary of State for Foreign and Commonwealth Affairs when Her Majesty's Government expect to make a decision on how long the Royal Air Force airlift will remain in Ethiopia.

Mr. Raison: We have agreed with the Ethiopian Government that the airlift should be continued to the end of March and that we shall review the position again nearer that time.

The Sahel

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current use of Hercules transport planes for the transport of grain to the Sahel; and if it is his intention to allow their use for the remainder of 1985.

Mr. Raison: Royal Air Force Hercules are distributing grain and other supplies in Ethiopia. The airlift in Ethiopia will continue and we will review the position again before the end of March. We do not think the direct provision of air transport would be the best use of our resources in most other countries in the Sahel, where we look to the relevant international agencies, to which we contribute, to organise it, if appropriate. Air transport is expensive but is justified when supplies are carried to areas that are otherwise inaccessible.

The Philippines

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs how much bilateral aid is given, directly or indirectly, by Her Majesty's Government to the Philippines.

Mr. Raison: In 1983, the latest year for which figures are available, total disbursements amounted to £3,714,000 including £2,916,000 invested by the Commonwealth Development Corporation.

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs when payments are due to be completed by the Commonwealth Development Corporation of the sum of £6·4 million to the National Development Company-Guthrie project in Mindanao.

Mr. Raison: Payments are due to be completed not later than the end of 1985 but this date could be extended by agreement.

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs whether recent incidents on the National Development Company-Guthrie plantation in Mindanao, such as the reported presence of the Lost Command on the plantation for several months during 1984, cause the Overseas Development Administration or the Commonwealth Development Corporation to reconsider their relations with the National Development Company-Guthrie.

Mr. Raison: No.

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs whether he will place in the Library a copy of the Commonwealth Development Corporation report of its inquiry into allegations that, between May and September 1984, members of the Lost Command were regularly present at night on the National Development Company-Guthrie plantation in Mindanao, in apparent contravention of the conditions attached to the Commonwealth Development Corporation loan to the company announced by the Overseas Development Administration in January 1983.

Mr. Raison: The Commonwealth Development Corporation has assured me that it has inquired into the allegations of regular Lost Command presence at night on the plantation but could find no basis for them. No more detailed report by the CDC is available. The conditions in the agreement attached to the CDC loan stipulate that a security force shall be appointed, replacing the previous security arrangements, and shall be responsible for protecting employees; and also that the borrower shall take measures within its power to ensure that its employees shall be protected against harassment. There is, however, no practical way of ensuring that the project estate and the roads through it are closed against outsiders.

WALES

Companies (Financial Aid)

8. **Mr. Rogers** asked the Secretary of State for Wales how many applications for aid have been received by his Department from companies intending to set up businesses in the South Wales valleys.

Mr. Nicholas Edwards: Since July 1975, when the Welsh Office assumed responsibility for regional selective assistance, 460 applications have been received in respect of new projects in mid-Glamorgan and the districts of Lliw Valley, Neath, Afan, Blaenau Gwent, Islwyn and Torfaen.

Housing Statistics

15. **Dr. Marek** asked the Secretary of State for Wales how many habitable dwellings he forecasts will be available in Wales in April 1986; and what was the corresponding figure for April 1984.

Mr. Wyn Roberts: In April 1984 there were some 1,105,000 dwellings in Wales. It is estimated that there will be about 1,120,000 by April 1986.

Employment Statistics

Mrs. Clwyd asked the Secretary of State for Wales what are the components of employment change in the electrical engineering industry in Wales between 1970 and 1983.

Mr. Nicholas Edwards: Details of employment change within the electrical engineering industry are given in the table. These figures are for the period June 1971 to September 1981, the closest dates to those requested for which information is available.

Change in total employment in the electrical engineering industry

Industrial classification	*June 1971*	*September 1981*	*Change*
Electrical machinery	3,599	2,156	−1,443
Insulated wires and cables	3,609	2,296	−1,313
Telegraph and telephone apparatus, etc.	3,382	3,388	+6
Radio and electronic components	6,843	4,500	−2,343
Broadcast, sound reproduction equipment Electronic computers	1,936	3,732	+1,796
Radio, radar and electronic capital goods	2,502	2,522	+20
Electric appliances (domestic use)	5,775	5,733	−42
Other electrical goods	3,405	4,190	+785
ELECTRICAL ENGINEERING (TOTAL)	31,051	28,517	−2,534

Source: Department of Employment Census of Employment.

Mrs. Clwyd asked the Secretary of State for Wales what were the changes in employment in Wales in the electrical engineering industry, the coal industry and the steel industry between 1970 and 1983.

Mr. Nicholas Edwards: Details of employment change in the requested categories are given in the table. These figures are for the period June 1971 to September 1981, the closest dates to those requested for which information is available.

Change in total employment

Industrial classification	*June 1971*	*September 1981*	*Change*
Deep coal mining	46,436	32,517	−13,919
Iron and steel	77,887	30,351	−47,536
Electrical engineering	31,051	28,517	−2,534

Source: Department of Employment Census of Employment.

Improvement Grants

Mr. Gwilym Jones asked the Secretary of State for Wales if he will issue advice to local authorities in Wales to the effect that payment of improvement grants funded from the housing investment programme should be made preferably on the production of an invoice from a value added tax registered builder; and if he will make a statement.

Mr. Wyn Roberts: We are concerned that grant-aided work should be undertaken by reputable builders and that concern will be reflected in the consultation paper which we hope to publish soon about the future of the grant system.

Industrial Floor Space

Mr. Barry Jones asked the Secretary of State for Wales what has been the provision of industrial floor space in Wales for each year since 1967.

Mr. Nicholas Edwards: Information on provision of industrial floor space by local authorities and the private sector is not kept centrally. I will write to the hon. Gentleman on factory provision by the Welsh Development Agency, the Development Board for Rural Wales and the Cwmbran Development Corporation and that of the former Welsh Industrial Estates Corporation and Mid Wales Development corporation.

School Leavers

Mr. Sheerman asked the Secretary of State for Wales if he will publish for each Manpower Services Commission area office in the Welsh region, and for *(a)* 16-year-olds, *(b)*17-year-olds and *(c)* 18-year-olds, the latest careers service estimates of the number and

proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December.

Mr. John Stradling Thomas: The information requested on school leavers is as follows. It is derived from provisional forecasts made by principal careers officers in the autumn of 1984 and must therefore be regarded as tentative. Principal careers officers have been asked to provide revised forecasts later this month in the light of the better information which is now available to them. There is insufficient information on which to base estimates of leavers from colleges of further education in each area.

Forecast of Destination of 1984-85 School Leavers by December 1985

	16 Year Olds				*17 Year Olds*				*18 Year Olds*			
	*Leaving School and Entering Labour Market**		*Employed Outside YTS*		*Leaving School and Entering Labour Market**		*Employed Outside YTS*		*Leaving School and Entering Labour Market**		*Employed Outside YTS*	
	(000s)	*per cent*	*(000s)*	*per cent*	*(000s)*	*per cent*	*(000s)*	*per cent*	*(000s)*	*per cent*	*(000s)*	*per cent*
Newport	3·8	54	0·8	12	0·7	57	0·4	20	0·2	20	0·2	16
Swansea	5·2	50	0·6	6	0·7	19	0·2	6	0·4	16	0·3	11
Cardiff	7·7	54	1·4	10	1·3	26	0·6	13	0·7	22	0·5	15
Wrexham	6·1	53	1·4	12	0·9	26	0·4	10	0·4	18	0·2	11
Wales Region	22·8	53	4·2	10	3·6	26	1·6	11	1·7	19	1·2	13

* Excludes those entering further higher education.
Percentages are based on the totals eligible to leave school.
All figures exclude further education college leavers and leavers from independent schools.
Ages are as at 31 August 1985.

Milk (Outgoers Scheme)

Mr. Wigley asked the Secretary of State for Wales how many dairy farmers in each county in Wales have taken advantage of the outgoers scheme for milk producers; what volume of milk this represents in each county; and what is the total compensation payment identifiable with these cases.

Mr. Nicholas Edwards: The following table gives the fullest breakdown available and shows the position as at 14 January 1985:

Divisional Office	*Producers accepted offers*	*Quota surrendered (million litres)*	*Payments Over 5 years (£ million)*
Caernarfon (Gwynedd)	34	1·8	0·2
Carmarthen (Dyfed)	93	7·9	1·0
Llandrindod Wells (Powys)	26	2·8	0·4
Ruthin (Clwyd)	36	3·6	0·5
Cardiff (Gwent, Mid Glamorgan, South Glamorgan and West Glamorgan)	26	2·8	0·4

SCOTLAND

Education

Mrs. McCurley asked the Secretary of State for Scotland if he has any plans to seek powers to remove education and the employment of teachers from the control of local authorities in Scotland; and if he will make a statement.

Mr. Allan Stewart: My right hon. Friend has no present plans to seek powers to remove education and the employment of teachers from the control of local authorities in Scotland.

A9 (Dornoch)

Mr. Maclennan asked the Secretary of State for Scotland if, pursuant to the answer of 16 January, *Official Report*, column *321*, he will provide a breakdown of how much of the £11 million expenditure on the A9 north of Dornoch and of the similar expenditure on the A9 south of Dornoch will in each case fall in 1984-85, 1985-86, 1986-87, 1987-88, 1988-89 and 1989-90, respectively; and if he will further break down the year-by-year analysis by scheme.

Mr. Ancram: Given the various stages reached in preparing the respective schemes, it is not possible at this time to provide such detailed breakdown of costs. The starting dates of schemes, and hence expenditure on them in any particular financial year, will depend on the satisfactory completion of statutory procedures and the availability of finance within the Scottish trunk road programme. The proposed improvements to the A9 to the north and south of Dornoch, together with the estimated total costs and stages reached, is as follows:

Scheme	*Estimated Cost (£ million November 1984)*	*Stage reached*
(North of Dornoch) A9		
Allt na Cuile	0·75	Land acquisition, almost complete. Start, when funds available.
Portgower-Greenpark	1·40	Reappraisal of scheme design recently completed. Economic assessment awaited from Region.

Scheme	Estimated Cost (£ million November 1984)	Stage reached
Crackaig-Culgower	1·70	Draft road orders published—objection being considered. Economic assessment awaited from Region.
Mound bridge	1·70	Draft plans being considered.
Dunbeath diversion	2·50	Draft road orders published—objections being considered.
Helmsdale-county boundary	1·80	Draft road orders in preparation.
Windyhouse-Borgue	1·00	Reappraisal of design being carried out.
(South of Dornoch) A9		
Garrick Bridge-Tain	0·91	Land acquisition procedures being finalised. Possible 1985 start if funds available.
Alness Bypass	3·83	All objections withdrawn. Land acquisition procedures being finalised. 1985 start expected.
Ardgay Culverts	0·20	Draft order for land acquisition in preparation.
Logie Easter-Newfield	0·83	Scheme design being considered.
Newfield-Garrick bridge	0·95	Draft road orders in preparation.
Broomhill-Logie Easter	4·42	Draft road orders in preparation.

Dornoch Firth Crossing

Mr. Maclennan asked the Secretary of State for Scotland when he expects the design work on the Dornoch Firth crossing to be completed.

Mr. Ancram: As detailed design work can be finalised only after the making of the orders for the line of road, navigation and acquisation of land, I cannot at present forecast a design completion date. It is my Department's intention to seek tenders for the bridge structure on a design-and-build basis.

Housing Authorities (Compensation)

Mr. Craigen asked the Secretary of State for Scotland what extra sum would require to be paid out to housing authorities under section 3 of the Housing (Financial Provisions) Scotland Act 1978 to compensate authorities if interest rates continue at their present level until 31 March.

Mr. Ancram: The Housing Support Grant (Scotland) Variation Order 1985 was laid before the House on 11 January and will be debated on 23 January. This variation order seeks to increase the amount of HSG payable to appropriate authorities for 1984-85 by £10·1 million reflecting interest rate assumptions at the time the order was laid. If the most recent movements in interest rates are sustained, a further variation order may in due course be required. It is not yet possible to calculate the amount of such a variation order.

Concessionary Fares

Mr. Craigen asked the Secretary of State for Scotland what representations he has received regarding the proposals on travel concessionary fares arising from the White Paper on buses in respect of the elderly, disabled and school children aged 14 to 16 years.

Mr. Ancram: A number of hon. Members and others have expressed views about the consequences of our proposals for concessionary travel. We have made it clear that local authorities' power to provide concessionary travel schemes will continue basically unchanged.

EDUCATION AND SCIENCE

Student Support

Mrs. Currie asked the Secretary of State for Education and Science if he will set out the scales of parental contribution for students for the years 1983-84, 1984-85, and 1985-86 (proposed) in money and in real terms.

Mr. Brooke: The parental contribution scales in money terms are as follows:

Residual income	Parental contribution		
	1983-84	1984-85	*1985-86
£	£	£	£
7,000	0	0	0
8,000	148	77	0
9,000	291	220	148
10,000	416	370	291
11,000	541	536	474
12,000	666	703	674
13,000	791	870	874
14,000	916	1,036	1,074
15,000	1,006	1,203	1,274
16,000	1,083	1,370	1,524
17,000	1,160	1,536	1,774
18,000	1,237	1,703	2,024
19,000	1,314	1,870	2,274
20,000	1,391	2,036	2,524
21,000	1,468	2,203	2,774
22,000	1,545	2,370	3,024
23,000	1,622	2,536	3,274
24,000	1,699	2,703	3,524
25,000	1,776	2,870	3,774

* Proposed

The parental contribution scales in real terms are as follows:

Residual income (1984-85 prices)	Parental contribution (1985-86 prices)		
	1983-84	1984-85	*1985-86
£	£	£	£
7,000	0	0	0
8,000	48	27	0
9,000	190	169	148
10,000	330	312	291
11,000	454	475	474
12,000	579	641	674
13,000	703	807	874
14,000	827	974	1,074
15,000	951	1,140	1,274
16,000	1,064	1,306	1,524
17,000	1,140	1,473	1,774

Residual income (1984-85 prices) £	Parental contribution (1985-86 prices) 1983-84 £	1984-85 £	*1985-86 £
18,000	1,217	1,639	2,024
19,000	1,292	1,805	2,274
20,000	1,369	1,972	2,524
21,000	1,446	2,138	2,774
22,000	1,522	2,304	3,024
23,000	1,599	2,471	3,274
24,000	1,675	2,637	3,524
25,000	1,752	2,803	3,774

* Proposed

Notes:

1. In the lower table incomes and contributions have been repriced according to the value of the Retail Price Index at September of the relevant year. Inflation to September 1985 is assumed to be 4·5 per cent.
2. In practice, contributions at the top of the scales would be limited by a student's maintenance requirements less any minimum award payable.

Soil Survey

Mr. Dalyell asked the Secretary of State for Education and Science how many new scientists were taken on by the Soil Survey of England and Wales in each year from 1970 until 1984.

Mr. Brooke: The information is as follows:

Number of new scientists taken on by the Soil Survey

Financial year	Number
1970-71	9
1971-72	4
1972-73	4
1973-74	4
1974-75	0
1975-76	0
1976-77	0
1977-78	1
1978-79	0
1979-80	2
1980-81	0
1981-82	0
1982-83	3
1983-84	0

Corporal Punishment

Mr. Ashley asked the Secretary of State for Education and Science how many of the organisations and individuals which responded to the recent consultative document on corporal punishment were in favour of a parental exemption scheme; and how many were opposed to such a scheme.

Mr. Dunn: Those who were consulted were not asked for views on the desirability of an exemptions scheme. The purpose of the consultation was to invite comment on the practical implications of such an exemption scheme. Most of those who volunteered a view about the desirability of exemption arrangements did so in a variety of critical terms.

Deaf Children (Teacher Training)

Mr. Latham asked the Secretary of State for Education and Science what representations he has received critical of the proposals of the Advisory Committee on the Supply and Education of Teachers relating to the training of teachers of deaf children, or those with impaired hearing; and if he will make a statement.

Mr. Dunn: My right hon. Friend has received more than a thousand letters critical of the recommendation of the Advisory Committee on the Supply and Education of Teachers that the mandatory requirement for teachers of deaf and partially hearing pupils to possess a specialist qualification should be removed and fewer than a hundred letters critical of the proposal that specialist initial teacher training courses for teachers of the deaf should be phased out. My right hon. Friend and my right hon. Friend the Secretary of State for Wales are considering their response to these and other recommendations of the advisory committee's report.

Teachers (Appraisal)

Mrs. Renée Short asked the Secretary of State for Education and Science when he expects to receive the report on teaching staff appraisal schemes and their application which he has commissioned.

Mr. Dunn: The Department is negotiating a contract with the Suffolk local education authority to finance a research project to investigate the range of current approaches to performance appraisal in industry, commerce, the public services and in education services in other countries. It is expected that the project will run from early January to 30 April 1985, and that the Department will receive an initial report during May.

Students (Vocational Courses)

Mrs. Renée Short asked the Secretary of State for Education and Science if he is satisfied with the preparation given by the certificate of prevocational education course to students intending to proceed to vocational courses.

Sir Keith Joseph: The framework specification for courses leading to the CPVE was published only on 11 January, and the first courses—apart from some pilot schemes currently in operation—will not be available until September 1985. I believe, however, that the CPVE framework is designed so as to prepare young people effectively to further vocational study, where appropriate. Progression arrangements to such courses are a key issue, still to be resolved in detail, and the continued endorsement of the CPVE by the holder of my office will depend on progress being made in negotiations between the Joint Board for Pre-Vocational Education and the vocational examining bodies.

School Files (Parental Access)

Mrs. Renée Short asked the Secretary of State for Education and Science what steps he intends to take to give parents access to school files concerning their children.

Mr. Dunn: None.

O and A-level Results

Mr. Marlow asked the Secretary of State for Education and Science if he will list *(a)* the percentage of students in each year obtaining five or more O-level passes

and *(b)* the percentage, taking the available age group and not just those in education, achieving two or more A-levels for each local education authority in England and Wales.

Mr. Dunn: The information requested is not readily available. The percentages of maintained school leavers obtaining five or more higher grade passes at O-level/CSE and two or more A-level passes are as follows. Information for Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

Leavers in maintained schools in England
Examination attainments of school leavers averaged over the academic years 1980-81, 1981-82 and 1982-83

	*Percentage with 5 or more higher grade passes at O-level or CSE**	*Percentage with 2 or more A-levels*
Barking	13·5	6·7
Barnet	35·7	22·4
Bexley	25·4	11·8
Brent	17·8	8·8
Bromley	28·8	14·4
Croydon	25·3	12·0
Ealing	19·4	10·4
Enfield	22·9	13·1
Haringey	14·8	8·2
Harrow	37·2	21·2
Havering	25·2	12·1
Hillingdon	21·4	11·4
Hounslow	22·2	12·3
Kingston-upon-Thames	31·5	17·8
Merton	24·5	11·4
Newham	11·4	4·9
Redbridge	25·6	14·1
Richmond-upon-Thames	27·7	—
Sutton	33·5	20·2
Waltham Forest	16·3	8·0
Birmingham	18·8	8·7
Coventry	21·7	9·4
Dudley	24·7	10·7
Sandwell	13·2	6·2
Solihull	26·3	14·1
Walsall	19·6	10·4
Wolverhampton	16·6	7·0
Knowsley	12·5	4·8
Liverpool	18·3	9·5
St. Helens	22·6	10·8
Sefton	28·1	14·6
Wirral	25·8	14·0
Bolton	23·2	12·4
Bury	26·3	11·6
Manchester	15·8	8·0
Oldham	12·8	5·9
Rochdale	18·0	10·2
Salford	16·9	8·5
Stockport	26·9	14·0
Tameside	19·1	7·3
Trafford	26·3	13·3
Wigan	22·9	8·5
Barnsley	15·8	6·9
Doncaster	17·5	9·4
Rotherham	18·2	8·1
Sheffield	20·4	10·6
Bradford	18·6	9·3
Calderdale	23·2	11·9
Kirklees	23·9	12·7
Leeds	22·6	12·2
Wakefield	16·9	6·0
Gateshead	17·4	7·5
Newcastle-upon-Tyne	20·5	11·4
North Tyneside	23·0	9·5
South Tyneside	18·5	6·7
Sunderland	18·8	7·3
Isles of Scilly	20·0	—
ILEA	14·4	6·8
Avon	22·9	11·0
Bedfordshire	21·2	9·8
Berkshire	25·4	13·0
Buckinghamshire	33·1	17·4
Cambridgeshire	25·8	10·8
Cheshire	25·1	13·9
Cleveland	22·7	10·9
Cornwall	25·3	11·1
Cumbria	23·9	12·3
Derbyshire	21·5	9·9
Devon	22·3	8·4
Dorset	26·8	13·6
Durham	19·2	9·1
East Sussex	27·6	13·4
Essex	23·7	11·0
Gloucestershire	27·4	13·5
Hampshire	24·9	11·6
Hereford & Worcester	23·5	10·5
Hertfordshire	30·6	14·9
Humberside	20·6	10·0
Isle of Wight	20·1	11·6
Kent	25·6	13·6
Lancashire	21·9	9·9
Leicestershire	22·7	13·8
Lincolnshire	23·5	10·9
Norfolk	19·3	8·7
North Yorkshire	28·5	15·3
Northamptonshire	18·8	9·3
Northumberland	25·5	11·8
Nottinghamshire	19·0	10·0
Oxfordshire	26·5	13·7
Shropshire	23·5	9·8
Somerset	20·5	6·1
Staffordshire	20·6	10·1
Suffolk	21·0	9·4
Surrey	33·0	17·4
Warwickshire	25·1	12·6
West Sussex	31·2	15·5
Wiltshire	24·2	10·9
Total	22·7	11·1

* O-level grades A-C, CSE Grade 1.

School Premises

Mr. John Carlisle asked the Secretary of State for Education and Science whether he is satisfied that the regulations issued by his Department in 1981, No. 909, are adequate to safeguard school playing field provision per pupil in any circumstance of a falling school roll.

Mr. Dunn: Yes.

Mr. John Carlisle asked the Secretary of State for Education and Science (1) whether he will urge every local education authority to make school premises available for use outside school hours and in the holidays;

(2) whether he intends further to encourage schools to offer the community shared use of sports facilities.

Mr. Dunn: As my right hon. Friend stated in reply to a question by my right hon. and learned Friend the Member for Warrington, South (Mr. Carlisle) on 4 March 1983, consistent encouragement has been given for the community use of maintained school premises, including sports facilities; and he hoped that local authorities would continue to promote such use so far as practicable within the resources available to them. This remains the position.

As my right hon. Friend further stated in the course of a reply to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on 13 June last, results of the Department's survey of shared and extended use of schools in 1983 which followed up an earlier survey in 1978-79 suggest that levels of use have been maintained or improved, and show that sports users continue to be the group most likely to make regular use of both primary and secondary school premises. The statistical bulletin giving the full results of the survey will be published by the Department shortly.

Mr. John Carlisle asked the Secretary of State for Education and Science what acreage of school playing fields have been sold for building development since 1981.

Mr. Dunn: This information is not collected by the Department.

School Allocations (Parental Choice)

Mr. Frank Field asked the Secretary of State for Education and Science on how many occasions he has received representations from parents against the allocation by local education authorities of their children to *(a)* primary and *(b)* secondary school places for the years since 1981; and on how many of those occasions he gave a direction to the local education authority concerned under section 68 of the Education Act 1944 on the grounds that he was satisfied that it was acting or proposing to act unreasonably in relation to (i) primary schools and (ii) secondary schools.

Mr. Dunn: Detailed records are not kept of all the many representations of varying substance received on various matters. In 1984, however, about 150 representations raised issues on school admissions—almost wholly in relation to secondary schools—that warranted further investigation, but in no case were the circumstances found to be such as to enable my right hon. Friend to exercise his limited powers of intervention under section 68 of the Education Act 1944.

Mr. Frank Field asked the Secretary of State for Education and Science on how many occasions since June 1982 local education authorities have applied to him under section 37(3) of the Education Act 1944 for directions as to which school should be named in a school attendance order in relation to *(a)* primary schools and *(b)* secondary schools; and on how many of those occasions the school directed by him to be named in the order was that selected by the parents in relation to (i) primary schools and (ii) secondary schools.

Mr. Dunn: On 1 July 1982, section 37(3) of the Education Act 1944 was superseded by new local arrangements for determining these questions under the Education Act 1980.

Schools (Fire Insurance)

Mr. Hawksley asked the Secretary of State for Education and Science (1) what guidance his Department issues to voluntary aided schools concerning the arrangements for insuring their buildings against fires; if this guidance has recently been changed; and if he will make a statement;

(2) if he will make a statement on his Department's refusal to provide 85 per cent. of the capital cost of the rebuilding of the burnt down St. Mary's Roman Catholic aided primary school, Madeley, Shropshire.

Mr. Dunn: My right hon. Friend expects the governors of voluntary aided and special agreement schools to make appropriate arrangements for the insurance of their premises against fire and other hazards. At the request of Shropshire county council, the Department is reviewing its decision not to include St. Mary's voluntary aided primary school, following its destruction by fire, among the major capital projects which may start in 1985-86.

AGRICULTURE, FISHERIES AND FOOD

Soil Survey

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food if he will publish in the *Official Report* the verdict of his priorities board on the Soil Survey of England and Wales.

Mr. Jopling: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Broxbourne (Mrs. Roe) on Friday 18 January 1985 at column *248*.

Soya Beans

Mr. Gregory asked the Minister of Agriculture, Fisheries and Food what quantities of soya beans were imported in each of the last five years; and what were their values and countries of origin.

Mrs. Fenner: The following table shows the information requested:

*United Kingdom Imports of Soya Bean**

Countries of Origin	*1979*		*1980*		*1981*		*1982*		*1983*	
	Tonnes	*£'000*	*Tonnes*	*£'000*	*Tonnes*	*£'000*	*Tonnes*	*£'000*	*Tonnes*	*£'000*
France	39	9	—	—	18	4	98	14	—	—
Netherlands	655	99	1,718	358	16,709	2,608	6,244	981	10,301	2,072
West Germany	—	—	40	6	—	—	5	2	—	—
Belgium/Luxembourg	—	—	—	—	4	1	10,227	1,501	—	—
Irish Republic	—	—	38	7	14	3	59	12	193	38
Nigeria	388	48	—	—	609	91	—	—	—	—
Thailand	3	1	—	—	1	†	—	—	—	—
China	4	1	5	1	—	—	2	1	—	—
Japan	†	1	7	2	5	3	4	1	31	8
Canada	1,211	194	1,225	193	8,711	1,472	5,365	741	5,180	803
United States of America	892,090	125,875	1,132,402	145,756	1,123,654	165,469	1,104,893	158,731	764,036	126,676
Brazil	13,654	1,854	—	—	702	113	12,829	1,669	†	1

Countries of Origin	1979		1980		1981		1982		1983	
	Tonnes	£'000	Tonnes	£'000	Tonnes	£'000	Tonnes	£'000	Tonnes	£'000
Argentina	93,122	12,516	22,002	2,577	500	81	—	—	—	—
Hong Kong	—	—	—	—	1	†	—	—	—	—
TOTAL	1,001,166	140,598	1,157,437	148,900	1,150,928	169,845	1,139,726	163,653	779,741	129,598

Source: United Kingdom Trade Statistics.
* = Figures include soya bean products. — = Nil. † = Less than half of the unit shown.

Store Cattle

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food how many store cattle were imported from the Republic of Ireland in each of the last three years.

Mr. MacGregor: The numbers of store cattle imported into the United Kingdom from the Republic of Ireland in each of the last three years are as follows:

(thousand head)

1982	1983	9184
125	123	123

The figure for 1982 includes an estimate of 10,000 head for unrecorded imports in Northern Ireland.

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food if he will list any restrictions which are placed on imported store cattle from the Republic of Ireland.

Mrs. Fenner: Under common EC conditions designed to prevent the introduction of disease into Great Britain from other states, store cattle imported from the Republic of Ireland must be tested for brucellosis, tuberculosis and in certain cases enzootic bovine leukosis and be certified to have come from herds free of these diseases. The cattle must also be examined for evidence of other infections or contagious diseases and be certified to have been imported from a holding in an area clear of foot and mouth disease and bovine brucellosis during the preceding three months. Transport conditions are also laid down that are designed to eliminate the risk of contact with animals of a lesser health status.

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food what restrictions apply to store cattle exported from Northern Ireland to other parts of the United Kingdom; and if he will list them.

Mrs. Fenner: Under conditions designed to prevent the introduction of disease into Great Britain, store cattle imported from Northern Ireland undergo testing for brucellosis and tuberculosis and are certified to have come from herds free of these diseases. The cattle are also examined for evidence of other infections or contagious diseases and kept separate from animals that do not satisfy these conditions.

Chemicals

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food (1) if he will provide a list of those chemicals approved by his Department for farmers and growers in the years 1955, 1960, 1970, 1980, and the latest available date;

(2) if he will show the number of chemical products approved by his Department for use by farmers and growers in each year from 1955 to the latest available date.

Mrs. Fenner: The information requested cannot be extracted readily. Since the introduction of the agricultural chemicals approval scheme in 1961 the annual booklet "Approved Products for Farmers and Growers" has listed all products officially approved for efficacy. A copy is placed in the Library on publication. Although early editions are no longer generally available they can be obtained through the Library. The 1985 edition will be published early next month.

In 1961 "Approved Products" listed 400 proprietary products using 50 active ingredients, in 1984 these figures were 670 and 200 respectively.

Pesticides

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food (1) if he will provide the latest available information he has on the extent of pesticide treatment of crops in England and Wales by crop group, area of crops grown, in hectares, and the percentage of those crops so treated;

(2) if he will provide the latest information available to him on types of pesticides used in agriculture and horticulture, as an estimated annual average, by pesticide group, spray hectares, and tonnes of active ingredients per year.

Mrs. Fenner: Information collected by my Department and that of my right hon. Friend the Secretary of State for Scotland on the use of pesticides, including insecticides, on crops and in other agricultural situations is regularly published in the "Pesticide Usage Survey Report" series. These published reports include detailed accounts of pesticides used on particular crops and summaries of total pesticide usage over given periods.

Fishing Vessels

Dr. Godman asked the Minister of Agriculture, Fisheries and Food if he will list in the *Official Report (a)* the number and amounts of de-commissioning grants awarded by the European Economic Community to fishing vessel owners in the United Kingdom who have removed their fishing vessels from the United Kingdom fishing fleet and *(b)* the types and ports of registration of those vessels.

Mr. MacGregor [*pursuant to his reply*, 17 January 1985, c. 199]: The European Commission reimburses 50 per cent. of the cost of decommissioning grants paid in accordance with Community regulations. No payments have so far been made by the Commission but reimbursement is being sought in respect of 62 vessels on which grants amounting to £7,259,944 have been paid. The types of vessel and ports of registration are as follows:

Vessel Type	Port
ENGLAND	
Freezer trawlers	

Vessel Type	Port
7	Hull
2	Grimsby
Near water trawlers	
(i) Stern Trawlers	
4	Lowestoft
(ii) Side Trawlers	
6	Lowestoft
1	Penzance
1	Swansea
Inshore vessels	
1	Colchester
1	Harwich
1	Lowestoft
3	Grimsby
1	Whitby
1	Oban
1	Hull
1	Hartlepool
1	Penzance
1	Beaumaris
1	Bideford
SCOTLAND	
Near water	
Side trawlers	
4	Aberdeen
Great liners	
2	Kirkcaldy
Inshore vessels	
2	Oban
1	Fraserburgh
1	Ullapool
4	Lerwick
3	Tarbert
2	Stornoway
1	Fleetwood
1	Inverness
WALES	
Near water	
Side trawler	
1	Swansea
1	Milford Haven
1	Lowestoft
1	Aberdeen
1	London
Inshore vessels	
1	Swansea
1	Fleetwood

NORTHERN IRELAND—Nil

Dr. Godman asked the Minister of Agriculture, Fisheries and Food if he will list in the *Official Report (a)* the number and types of fishing vessels constructed, in the years 1979 to 1984, with the assistance of grants and loans from the Sea Fish Industry Authority and *(b)* the yards where they were constructed.

Mr. MacGregor [*pursuant to his reply*, 17 January 1985, c. *199*]: The information requested is as follows:

(a) Assistance approved during 1979-1984 (see notes)

Type	1979	1980	1981	1982	1983	1984	Total
Liner	—	1	2	—	—	—	3
Netter	—	2	5	3	2	3	15
Potter	—	3	11	5	13	17	49
Seiner	—	—	—	2	3	12	17
Trawler	5	11	15	5	11	8	55
Seiner-trawler	1	9	8	6	14	13	51
Scallop dredger-trawler	—	—	—	—	2	—	2
Liner-trawler	—	1	—	—	2	3	6
Netter-trawler	—	1	—	1	2	—	4
Potter-trawler	—	2	—	—	1	—	3
Potter-netter-trawler	—	1	—	—	—	—	1
Liner-netter-trawler	—	3	—	—	—	—	3
Liner-netter	—	2	4	2	3	1	12
Liner-potter	—	1	3	1	8	11	24
Potter-netter	1	5	8	5	2	5	26
	7	42	56	30	63	73	271

(b) Boatyards

	1979	1980	1981	1982	1983	1984	Total
Abels, Bristol	—	—	1	—	—	1	2
Baumbach, Hayle & Penzance	—	—	2	1	2	1	6
Barnes Brinkcraft, Wroxham	—	—	—	—	—	1	1
Bridlington Boatbuilders	—	3	2	—	—	—	5
Birkenhead Precision	—	—	2	2	2	—	6
Bryce Waterhouse, Worcester	—	6	8	2	7	—	23
Campletown Shipyard	1	3	3	3	4	6	20
Cockenzie Boatyard	—	1	—	—	—	—	1
Cyngus, Penryn	—	1	1	2	8	5	17
Dawson, Seahouses	—	—	1	—	1	1	3
Des White	—	—	—	—	1	—	1
Dixon, Exmouth	—	1	—	—	—	—	1
Eddystone Marine, Plymouth	—	—	—	—	—	2	2
Eyemouth Boatbuilding	—	—	—	—	1	2	3
Fastworker, Falmouth	—	—	—	1	1	—	2
Felixstowe Boatyard	—	1	—	—	—	—	1

	1979	1980	1981	1982	1983	1984	Total
Forbes, Sandhaven	—	1	2	2	5	1	11
Frinton Bay Boatyard	—	—	—	—	1	—	1
Gerrard, Arbroath	—	1	—	1	—	1	3
Glassfibre Mouldings, Lisburn	—	—	—	—	—	1	1
Goodall, Whitby	—	—	2	—	2	3	7
Goodchild, Gt. Yarmouth	—	—	1	—	—	—	1
Harrison, Amble	—	2	1	2	—	4	9
Haven Marine, Milford Haven	—	—	—	1	1	—	2
Hepburn, Gardenstown	—	1	1	—	—	—	2
Hepworth, Paull	2	—	—	—	1	—	3
Herd & Mackenzie, Buckie	1	2	2	2	2	3	12
Hinks, Appledore	—	2	2	1	—	1	6
Horne Bros., Fishbourne	—	—	—	1	—	—	1
Hull Steelcraft	—	—	—	2	—	—	2
Jones, Buckie	—	1	1	—	3	2	7
Kristensen, Denmark	—	—	—	—	1	2	3
Lewis, Aberdeen	—	1	1	—	—	—	2
Lochin Marine, Rye	1	—	—	1	—	—	2
Lowther, Whitby	—	—	2	—	—	—	2
Macbar Marine, Poole	—	—	—	—	—	1	1
MacDuff Boatbuilders	—	2	5	—	3	7	17
Mackay, Arbroath	1	1	—	—	1	2	5
Mahood, Portavogie	—	—	—	—	—	2	2
Maycraft, Gt. Yarmouth	—	1	1	—	—	1	3
McGaughey, Cushendall	—	—	—	—	—	1	1
McTay, Bromborough	—	1	1	—	—	—	2
Miller, St. Monance	—	1	2	2	2	3	10
Moor, Mevagissey	—	1	1	1	—	1	4
Mustang Yachts	—	—	—	—	2	—	2
Noble, Fraserburgh & Gorvan	1	2	—	—	—	2	5
Pearn, Looe	—	1	—	—	2	2	5
Peron, France	—	1	—	—	—	—	1
Port Issac Bay Marine	—	1	6	2	2	1	12
Quayside Services	—	—	—	—	1	—	1
Seamark, Ipswich	—	—	1	—	—	—	1
Scarborough Marine	—	1	—	—	—	—	1
Spraycatch, Weymouth	—	—	—	—	—	5	5
Starcraft, Beccles	—	—	—	—	—	1	1
Steelcraft, Aberystwyth	—	—	1	—	—	—	1
Stratton, Isle of Wight	—	—	—	—	—	1	1
S. & S. Marine, Sunderland	—	—	—	—	—	1	1
Thomson, Buckie	—	—	—	—	3	1	4
Toms, Polruan	—	2	1	1	4	3	11
Upson, Aldeburgh	—	—	—	—	—	1	1
Visick, Truro	—	—	2	—	—	—	2
	7	42	56	30	63	73	271

Notes:

1. Figures relate to years in which assistance was approved by the Sea Fish Industry Authority (and its predecessors, the White Fish Authority and the Herring Industry Board, before October 1981). Construction has not yet been completed on all the vessels shown above.
2. In all cases grant aid has been approved; loan assistance from the authority will have been sought in some, but not all cases.

FOREIGN AND COMMONWEALTH AFFAIRS

Nuclear Weapons

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs why Her Majesty's Government are opposed to the acquisition of nuclear weapons by other states.

Mr. Luce: As one of the original parties to the non-proliferation treaty and a depositary power, we support the view expressed in the preamble to that treaty that

"the proliferation of nuclear weapons would seriously enhance the danger of nuclear war."

In particular, we believe that the introduction of nuclear weapons into areas where they do not form part of the existing security arrangements could destabilise such regions and threaten global security.

Unilateral Nuclear Disarmament (UN Vote)

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs why the United Kingdom abstained in the recent United Nations General Assembly vote on a resolution noting with satisfaction a study on unilateral nuclear disarmament measures; and why there was no common North Atlantic Treaty Organisation position on the resolution.

Mr. Luce: We abstained on United Nations General Assembly Resolution 39/148A because we believe that the study, which was produced by four neutral and non-aligned representatives and presented to the Secretary-General, lacked balance and depth and did not advance progress towards nuclear disarmament. The NATO alliance is not represented as a formal group within the UN system. Each member state is free to vote as it wishes. Several of our allies, including Belgium, Canada, France, the Federal Republic of Germany and Italy also abstained.

Hong Kong (Refugee Camps)

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs what further steps he has taken to improve conditions in the closed camps in Hong Kong following the British Refugee Council's report.

Mr. Luce: As I said in my answer of 17 December to my hon. Friend the Member for Beverley (Sir P. Wall), at column *30*, I shall be discussing with members of the Asia Committee of the British Refugee Council those recommendations in the council's report "Behind Barbed Wire" that fall within the responsibility of the Foreign and Commonwealth Office. A meeting has now been arranged for 22 January. I can, however, tell the hon. Gentleman that, in relation to one recommendation in the report, the Hong Kong Government had decided before the report appeared that Vietnamese refugees in open centres who claim to have close relatives in a closed centre may live with them in the closed centres if they wish.

Hong Kong (Remanded Persons)

Mr. Kilroy-Silk asked the Secretary of State for Foreign and Commonwealth Affairs (1) what is the length of time that each of the 12 women on remand in custody in Hong Kong on 17 December 1984 have been in prison;

(2) what is the length of time spent in prison by each of the three girls aged 14 to 20 years on remand in custody in Hong Kong on 17 December 1984; and what are their ages and the offence with which they are charged;

(3) how many *(a)* men, *(b)* women, *(c)* boys and *(d)* girls were on remand in custody in Hong Kong at the latest available date; and how many in each category have been in custody for *(a)* one to two months, *(b)* two to three months, *(c)* three to four months, *(d)* four to five months, *(e)* five to six months, *(f)* six to nine months, and *(h)* over one year, respectively;

(4) what are the ages, offences with which charged and the length of time in custody of each of the 59 14 to 20-year-old boys in custody on remand in Hong Kong on 17 December 1984;

(5) what were the ages, offences and sentences of each of the 348 14 to 20-year-old boys in prison in Hong Kong on 17 December 1984;

(6) if 14 to 20-year-old *(a)* girls and *(b)* boys in prison in Hong Kong are kept separate from adult prisoners;

(7) if he will list all the penal establishments in Hong Kong, indicating in each case the category, the number and type of prisoner it is designed for and the number it accommodates;

(8) what facilities exist in Hong Kong for mentally disturbed offenders;

(9) what were the ages, offences and sentences of the nine 14 to 20-year-old girls in prison in Hong Kong on 17 December 1984;

(10) why a prisoner in Hong Kong has waited for 327 days to come to trial.

Mr. Luce: The information required will take some time to obtain. I will arrange for details to be published in the *Official Report*.

Grenada

Mr. Freeman asked the Secretary of State for Foreign and Commonwealth Affairs what continuing contribution the Government intend to make to the self-defence and policing of Grenada.

Mr. Renton: By the end of 1984 we had spent £600,000 on aid to the Grenada police. We intend to continue to make assistance available. In addition, my right hon. Friend the Minister for Overseas Development informed the House on 30 October 1984 at column 905, that we had offered to finance on grant terms, at an estimated cost of £1·2 million, shore facilities for coastguard services in six eastern Caribbean islands, including Grenada.

Laos

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs what account was taken of the United Kingdom's role as co-chairman of the 1962 Geneva conference on Laos when deciding to close the United Kingdom embassy in Laos.

Mr. Luce: We took fully into account all relevant considerations in reaching our decision, on financial ground, to close Her Majesty's embassy in Laos and accredit a non-resident ambassador to Vientiane.

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs what assistance Her Majesty's Government have offered the Laos Government to clear up the 3 million tons of bombs deposited by United States planes on Laos territory between 1965 and 1972.

Mr. Luce: None. We are not aware of any request for assistance and have no plans to offer it.

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs which other European Economic Community member countries have diplomatic representation in Laos.

Mr. Luce: France and the Federal Republic of Germany, amongst our European Community partners, have diplomatic representation in Laos.

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs what is the annual cost of maintaining the United Kingdom embassy in Laos; and what will be the estimated annual cost of administering the United Kingdom's Laos interests from Bangkok.

Mr. Renton: The latest available annual figure for the cost of maintaining Her Majesty's embassy in Laos is £133,063. The annual cost of administering our interests in Laos from Bangkok will depend on the number visits to Vientiane by embassy staff at Bangkok. It will certainly be substantially less than the cost of maintaining a Resident embassy in Laos.

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs for what reason Her Majesty's Government are proposing to close the embassy in Laos.

Mr. Renton: The closure of Her Majesty's embassy in Vientiane and another nine posts is part of a balanced package of reductions aimed at keeping Foreign and Commonwealth Office expenditure for 1985-86 within the figure planned and approved by Parliament. In choosing the posts to close the aim has been to minimise the overall

effect on United Kingdom interests while maintaining a reasonable degree of geographical balance. In all cases we have looked carefully at the political, commercial and consular interests involved.

Diplomatic Representation

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs in which countries with populations of 3 million or less Her Majesty's Government have no resident diplomatic representation.

Mr. Renton: The following 14 countries:

Albania
Bhutan
Central African Republic
Djibouti
Dominica
Equatorial Guinea
The Federal and Islamic Republic of the Comoros
Guinea—Bissau
Mauritania
Republic of Cape Verde
Suriname
Togo
Tuvalu
Western Samoa

Embassies

Miss Maynard asked the Secretary of State for Foreign and Commonwealth Affairs in what countries other than Laos in which the United Kingdom presently has diplomatic representation it is proposed to close the United Kingdom embassy.

Mr. Renton: Her Majesty's embassy in Santo Domingo, Dominican Republic, is also being closed.

International Year of Youth Conference (Delegation)

Mr. Leigh asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the cost of the British Youth Council's proposed sending of a delegation to the Moscow International Year of Youth conference later in the current year; and how much of this will be met, directly or indirectly, from public funds.

Mr. Renton: The British Youth Council does not yet know what it would cost it to attend the Moscow festival of youth and students. At present it proposes to try to fund the despatch of two representatives to Moscow, with observer rather than delegate status. Such a delegation would be part of a delegation from the Council of Europe national youth committees. Since August 1984 it has been made clear to the British Youth Council that we cannot agree to the use of public funds to support the Moscow festival. This remains our position.

If it can secure the necessary funds, the British Youth Council also hopes to send representatives to the youth festival being organised by the Jamaican Government in Kingston.

Non-proliferation Treaty

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what action has been taken to fulfil the United Kingdom's international obligation under the non-proliferation treaty to achieve a comprehensive test ban treaty; and if he will make a statement.

Mr. Luce: The preamble to the NPT recalls the determination expressed by the parties to the 1963 partial test ban treaty to achieve a comprehensive test ban treaty. We remain committed to seek progress towards such a treaty. It is essential, however, first to resolve outstanding problems on verification to ensure that such a ban can be properly enforced. We will continue to work for this at the conference on disarmament in Geneva.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about the outcome of talks between the United States of America and the Union of Soviet Socialist Republics on article 6 of the non-proliferation treaty; and why the United Kingdom was not present at these talks.

Mr. Luce: Talks last November between the United States of America and the Union of Soviet Socialist Republics addressed nuclear non-proliferation matters. The details are a matter for the Governments concerned. For its part, the United Kingdom holds regular consultations on non-proliferation with other countries, including the USA and the USSR.

Mr. Deakins asked the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken to satisfy himself that the projected sale of civil nuclear technology to China for a pressurised water reactor nuclear power station is in accordance with the United Kingdom's obligations under the non-proliferation treaty.

Mr. Luce The Foreign and Commonwealth Office scrutinises all proposals for nuclear related exports from the United Kingdom to ensure that they are in accordance with our non-proliferation policy and with our obligations under the NPT. The sale by GEC of the turbines for the Guangdong power station is fully in accord with both.

Mr. Yasser Arafat

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs whether he has received any request since 19 December 1984, either orally or in writing, that Yasser Arafat should be permitted to enter the United Kingdom in the near future; and if he will make a statement.

Mr. Luce: My right hon. and learned Friend has received no such request.

Argentina (Arms Sales)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of Spain regarding the proposed sale by Spanish companies of frigates and related arms to Argentina; and if he will make a statement.

Mr. Renton: We continue to make our views on the supply of arms to Argentina known to our allies, but the results of our discussions must remain confidential to the Governments concerned.

Iran (Human Rights)

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs what progress the special representative of the United Nations Commission on Human Rights has made with his study of the situation in Iran.

Mr. Luce: The special representative, Mr. Andres Aguilar, was appointed on 19 October 1984, and is due to present his report to the 41st session of the United Nations

Commission on Human Rights which will meet in Geneva from 4 February to 15 March 1985. Mr. Aguilar has not yet been able to visit Iran because the Iranians have not responded to appeals for their co-operation in this respect. If he is unable to visit Iran before February, his report will rely on information received from Governmental and non-governmental organisations on the human rights situation in Iran.

The Philippines

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government on the sale to the Philippines Government of items such as vehicles which may be used by the Philippines Government to repress the civilian population.

Mr. Luce: It is our policy not to authorise the export of licensable equipment where in our judgment it would be likely to be used for internal repression. This would apply to the Philippines, as to any other country. All licence applications are examined on a case by case basis taking into account all relevant factors including human rights considerations.

Republic of Ireland

Mr. Proctor asked the Secretary of State for Foreign and Commonwealth Affairs what representations have been received from the Government of the Republic of Ireland concerning the shooting incident in Belfast on 14 January; what response was given; and if he will make a statement.

Mr. Renton: The Irish Foreign Minister made representations to Her Majesty's ambassador in Dublin on 15 January. The ambassador took note of them and made clear that he could make no comment on the incident until the facts had been established. He also explained our stated policy on the security forces in Northern Ireland.

Southern Africa

Mr. Proctor asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his reply to the hon. Member for Billericay of 19 December, *Official Report*, column *296*, about southern Africa, what steps he intends to take to ensure the peaceful resolution of the region's problems through diplomacy; and if he will make a statement.

Mr. Rifkind: We envisage no major initiatives but shall continue to take appropriate steps within the framework of established policy. This is kept under close review.

Falkland Islands

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs whether the Christmas message of Sir Rex Hunt about the attitude of Falkland Islanders to domestic issues in Britain was issued with his authority.

Mr. Renton: The Civil Commissioner does not require authority to comment on the attitudes of Falkland islanders.

ENVIRONMENT

Greater Manchester Council (Staff)

Mr. Andrew F. Bennett asked the Secretary of State for the Environment what information he has as to how many staff are employed by Greater Manchester council; and how many staff are employed by the district councils in Greater Manchester.

Mr. Waldegrave: The Department receives information from Greater Manchester council and the district councils in Greater Manchester on a regular quarterly basis through the joint manpower watch survey. In addition, information about the numbers of staff employed by Greater Manchester council has been received in response to a request under section 5 of the Local Government (Interim Provisions) Act 1984. The total numbers employed (full-time and part-time) by Greater Manchester council and each district within Greater Manchester are as follows:

Number of staff at September 1984

Authority	*Full-time*	*Part-time*
Greater Manchester	6,099	1,379
Bolton	7,784	4,168
Bury	4,049	2,669
Manchester	24,595	12,103
Oldham	6,407	3,145
Rochdale	6,341	3,660
Salford	7,979	4,926
Stockport	6,738	3,852
Tameside	6,498	4,120
Wigan	8,975	5,058

Source: Joint Manpower Watch.

Figures exclude police officers, cadets, traffic wardens and police civilians, and staff of magistrates courts and probation and after-care services which are not directly employed by the local authorities.

Homes Insulation Scheme

Mr. Rost asked the Secretary of State for the Environment if he will publish the budget allocation for each local authority for the homes insulation programme for 1985-86; and how this compares with 1984-85.

Sir George Young: My hon. Friend the Minister for Housing and Construction announced housing investment programme allocations — which include the homes insulation scheme—to local authorities in England for 1985-86 on 20 December at column *76*, in response to a question to my hon. Friend the Member for Thanet, North (Mr. Gale).

Copies of the letter and the schedule of initial allocations to each local authority were placed in the Library, where previous years' allocation schedules are also available.

The 1985-86 allocations are initial allocations: that is the first year in which a reserve has been established from which further homes insulation scheme allocations may be made in accordance with demand.

Mr. Rost asked the Secretary of State for the Environment what is the total budget allocation for 1985-86 for the homes insulation programme; and how this compares with 1984-85.

Sir George Young: Local authorities' housing investment programme allocations in England for 1985-86

include £31 million for the homes insulation scheme. For 1984-85 the allocation is £35 million, though latest estimates suggest this may not all be spent.

NATIONAL FINANCE

Deposits

Mr. Stuart Holland asked the Chancellor of the Exchequer what share of deposits was accounted for, respectively, by *(a)* London clearing banks, *(b)* Scottish clearing banks, *(c)* Northern Ireland clearing banks, *(d)* other banks and *(e)* building societies in absolute and percentage terms in 1983 and 1984.

Mr. Ian Stewart: As far as such figures are available, they are shown in the table. The figures for United Kingdom banks show the stock of sterling deposits from all sources held on 14 December 1983 and 12 December 1984. Figures for Northern Ireland clearing banks are included with other banks in the table; no separate figures are available. The figures for building societies show the stock of shares and deposits, time deposits and certificates of deposit from all sources at the end of each calendar year.

Share of deposits: United Kingdom banks and building societies

	1983		1984	
	£ million	Share of total per cent.	£ million	Share of total per cent.
United Kingdom banks of which:	156,792	66·3	180,146	65·7
London clearers	86,629	36·6	94,400	34·4
Scottish clearers	8,717	3·7	9,904	3·6
Other banks	61,446	26·0	75,842	27·7
Building societies	79,717	33·7	94,059	34·3
TOTAL	236,509	100·0	274,205	100·0

Source: Bank of England Quarterly Bulletin, Financial Statistics and the Committee of the London Clearing Banks.

Direct Taxation

Mr. Pike asked the Chancellor of the Exchequer what percentage change has taken place between 1979 and the current financial year in direct taxation paid by a person on average earnings; and how this compares to the change for a person on five times average earnings.

Mr. Moore: For a married man on average earnings with two children, the percentage of earnings taken in income tax less child benefit is expected to be 12·9 per cent. in 1984-85 compared to 14·4 per cent. in 1978-79. Corresponding estimates for a married man with two children on five times average earnings are 39·9 per cent. in 1984-85 and 47·1 per cent. in 1978-79.

Tax Thresholds

Mr. Ralph Howell asked the Chancellor of the Exchequer by how much income tax thresholds could be raised *(a)* at no overall extra cost to the Exchequer, *(b)* at an extra cost of £1,500 million, and *(c)* at an extra cost of £3,000 million assuming the following changes: (i) abolition of all existing personal income tax allowances in favour of a flat rate fixed amount tax deduction for every taxpayer, which would be fully transferable between husband and wife, (ii) tax reliefs for mortgage interest, private pensions, and so on, to be similarly limited to the standard rate of income tax and (iii) wife's investment income to be treated as her own for income tax purposes.

Mr. Moore: I regret that the estimates could be provided only at disproportionate cost.

Currency Levels

Mr. Adley asked the Chancellor of the Exchequer what information he has regarding the percentage change in the relevant national currency vis-a-vis the United States dollar as between 1 January 1979 and each subsequent 1 January to 1985 for each of the European Economic Community countries, Japan, Australia, New Zealand, Switzerland, Austria, Spain, Norway, Sweden, India, Malaysia and Singapore.

Mr. Ian Stewart: The information requested is as follows:

Percentage changes in exchange rates against the United States dollar since 1 January 1979†*

	1980	1981	1982	1983	1984	up to 1 January 1985
EEC Countries						
Belgium/Luxembourg (Franc)	+ 2·9	− 8·4	−25·1	−38·6	−48·1	−54·5
Denmark (Krone)	− 5·6	−15·7	−30·5	−39·6	−48·7	−55·0
France (Franc)	+ 3·8	− 7·9	−27·1	−38·3	−50·0	−56·7
West Germany (Mark)	+ 5·5	− 7·1	−18·9	−23·5	−33·2	−42·3
Greece (Drachma)	− 3·2	−21·7	−37·2	−48·4	−63·9	−71·9
Ireland (Punt)	+ 6·1	− 5·6	−21·7	−30·6	−43·4	−50·8
Italy (Lira)	+ 2·5	−11·6	−31·2	−39·7	−49·9	−57·3
Netherlands (Guilder)	+ 3·7	− 7·5	−19·9	−25·0	−35·5	−44·6
United Kingdom (Pound)	+ 9·0	+17·2	− 6·4	−20·7	−28·9	−43·3

	1980	1981	1982	1983	1984	up to 1 January 1985
Others						
Japan (Yen)	−19·0	− 4·5	−11·7	−17·5	−16·1	−22·7
Australia (Dollar)	− 3·8	+ 2·3	− 2·1	−14·7	−21·8	−28·2
New Zealand (Dollar)	− 7·7	−10·0	−22·9	−31·0	−39·0	−55·3
Switzerland (Franc)	+ 1·3	− 9·2	−10·0	−19·7	−25·8	−38·0
Austria (Schilling)	+ 7·2	− 4·1	−15·3	−20·3	−30·7	−39·7
Spain (Peseta)	+ 5·6	−11·9	−27·2	−44·3	−55·2	−59·7
Norway (Krone)	+ 1·4	− 3·2	−14·0	−29·3	−34·8	−45·0
Sweden (Krone)	+ 3·4	− 1·7	−22·3	−41·3	−46·4	−52·2
India (Rupee)	− 0·1	+ 2·6	−11·3	−16·6	−14·7	−35·1
Malaysia (Ringgit)	+ 0·9	− 0·9	− 2·0	− 4·2	− 5·9	−10·1
Singapore (Dollar)	+ 0·4	+ 3·2	+ 5·6	+ 3·2	+ 1·5	− 1·3

* In all cases, $/currency rates are used to calculate the percentage changes.
† Or nearest available date.

Her Majesty's Stationery Office

Mr. Freud asked the Chancellor of the Exchequer what was the total value of orders placed with Her Majesty's Stationery Office during 1984 by or on behalf of local libraries.

Mr. Hayhoe: About £2·2 million, of which half is met by Government grants.

Taxation

Mr. Silvester asked the Chancellor of the Exchequer what is his current estimate of the cost to the Revenue of treating husbands and wives separately in respect of tax relief for mortgage interest payments while retaining the rule that such relief applies only to the taxpayer's only or main residence and to a limit of interest on a £30,000 mortgage on any one house.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer what is his current estimate of the loss of tax revenue if the investment income of husband and wife were taxed independently.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer what is his current estimate of the loss of tax revenue if the limits on contributions to pensions from earned income were applied to husbands and wives when both are earning as if they were two single persons.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer by how much the abolition of the investment income surcharge has reduced the cost of taxing the investment income of husband and wife independently.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Taxation Categories

Mr. Silvester asked the Chancellor of the Exchequer how many taxpayers fall into each of the following categories: *(a)* single, *(b)* married couple, husband only working, *(c)* married couple, wife only working, *(d)* married couple, both earning, *(e)* single pensioners and *(f)* married couple pensioners.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Dependent Relative Relief

Mr. Silvester asked the Chancellor of the Exchequer what is the cost of the dependent relative relief.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer what would be the cost of the dependent relative relief if its value were raised to that of the additional personal allowance, assuming the existing conditions for reduction.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Personal Allowances

Mr. Silvester asked the Chancellor of the Exchequer how much would be transferred to non-taxpayers if the value of the married personal allowance and the additional personal allowance were used to increase child benefits; and what proportion of that value this transfer represents.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer what is the current estimate of the gain to the Revenue from the abolition of the married personal allowance *(a)* in total and *(b)* to persons below retirement age.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Mr. Silvester asked the Chancellor of the Exchequer what is the current estimate of the gain to the Revenue from the abolition of the additional personal allowance *(a)* in total and *(b)* to persons below retirement age.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Gay's the Word Bookshop

Mr. Dobson asked the Chancellor of the Exchequer, further to his answer of 9 January to the hon. Member for

Holborn and St. Pancras, *Official Report*, column 488, when the staff concerned in the Gay's the Word bookshop case first consulted the 1984 edition of "British Books in Print".

Mr. Hayhoe: Following the hon. Member's question, which mentioned "British Books in Print", the staff concerned first consulted the 1984 edition on 13 December 1984.

Plant and Machinery (Balancing Allowances)

Mr. Grylls asked the Chancellor of the Exchequer what would be the cost of restoring the position prior to the Finance Act 1974 whereby balancing allowances were given in respect of unrelieved expenditure on plant and machinery disposed of during the accounting period.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Trident

Mr. O'Neill asked the Chancellor of the Exchequer if he will include in his commentary on defence public expenditure programmes in the public expenditure White Paper an indication of the impact of the cost of the Trident project at the date of publication of the White Paper on the future composition of the remainder of the defence budget.

Mr. Peter Rees: I shall let the hon. Member have a reply as soon as possible.

Relocated Employees

Mr. Stern asked the Chancellor of the Exchequer (1) if the Inland Revenue is to publish a statement of practice on the treatment of payments to relocated employees for income tax purposes; and if he will make a statement;

(2) what publicity the Inland Revenue gives to its practice regarding the tax treatment of payments to employees moving to higher cost housing areas; if he will place the publicity material in the Library; and if he will make a statement.

Mr. Moore: An Inland Revenue press release and statement of practice were published on Friday 18 January. Copies have been placed in the Library.

DEFENCE

Mr. Peter Levene

Mr. Gordon Brown asked the Secretary of State for Defence what yearly payment is to be made to cover Mr. Peter Levene's pensions contributions following his appointment as chief of defence procurement.

Mr. Butler: Details of Mr. Levene's terms of employment have not yet been finally settled.

Vehicle Depot, Hilton (Study)

Mrs. Currie asked the Secretary of State for Defence if he will make a statement on the feasibility study on the vehicle depot, Hilton, Derbyshire.

Mr. Lee: The feasibility study into the possible use of a private contractor to carry out the functions at present undertaken by the directly employed staff at the RAOC vehicle depot, Hilton, is still in hand. I hope to be in a position to make a more substantive statement on the outcome of this investigation in the spring.

Ministry of Defence Police

Mr. Chris Smith asked the Secretary of State for Defence what are the duties of his Department's police in respect of civilian staff employed by his Department.

Mr. Lee: Ministry of Defence police officers have authority to act as required in respect of civilian staff and all other persons on Ministry of Defence premises in the United Kingdom. The duties of the force, in common with other police forces, include the prevention of crime, the detection and arrest of offenders if crime is committed and the protection of life and property.

Type 22 Frigates

Sir David Price asked the Secretary of State for Defence if he will now announce his decision upon the placing of the two orders for type 22 frigates.

Mr. Lee: No decision on the placing of these orders has yet been taken..

Departmental Property (Security)

Mrs. Renée Short asked the Secretary of State for Defence what level of spending he proposes to devote to the improvement of security in his Department's property in the next two years.

Mr. Stanley: Final decisions have not yet been taken by Ministers on the provision in estimates for 1985-86 and in the long-term costing for 1986-87 for major works services, including major new physical security installations at Ministry of Defence establishments and units. In addition, the cost of security measures (which cover a very wide field) are not always separately identifiable from major works projects of which they often form part. Information about more minor works services and installations is not held centrally and could not be provided except at disproportionate cost.

Service Personnel (Premature Retirement)

Mr. Churchill asked the Secretary of State for Defence how many officers, non-commissioned officers and other ranks, respectively, applied for premature voluntary retirement in each of the armed services in the calendar year 1984; and what were the equivalent figures for each year since 1975.

Mr. Lee: The information is as follows:

	1975	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	**1984*
Royal Navy										
Officers	177	229	327	391	230	167	120	156	160	194
Servicemen	4,936	4,832	4,088	5,669	4,330	3,116	1,844	1,854	2,624	2,967

	1975	1976	1977	1978	1979	1980	1981	1982	1983	*1984
Total	5,113	5,061	4,415	6,060	4,560	3,283	1,964	2,010	2,784	3,161
Army										
Officers	526	537	810	900	665	426	430	462	554	605
Servicemen	—	—	—	—	5,647	3,134	1,574	1,428	2,045	2,632
Total	526	537	810	900	6,312	3,560	2,004	1,890	2,599	3,237
Royal Air Force										
Officers	456	451	693	691	393	228	186	247	275	364
Servicemen	3,110	2,796	3,033	3,389	1,920	1,299	782	1,056	1,441	1,732
Total	3,566	3,247	3,726	4,080	2,313	1,527	968	1,303	1,716	2,096

Notes:
* To 30 November.
Figures for Servicemen include non-commissioned officers, for whom separate records are not kept.
Figures for Army Servicemen were not recorded centrally prior to 1979.
Figures are for males only.

Service Personnel (Costs)

Mr. Churchill asked the Secretary of State for Defence what is the approximate per capita annual cost of *(a)* a Regular Army soldier, *(b)* a Territorial and *(c)* a member of the Home Service force, taking account of total employment costs, including remuneration, pension (where applicable), training and personal equipment costs.

Mr. Lee: I shall answer shortly.

Reforger Exercises

Mrs. Clwyd asked the Secretary of State for Defence whether it is intended to exercise elements of the 501st Tactical Missile Wing at Greenham common, as part of the Reforger exercises.

Mr. Stanley: I will answer shortly.

Mrs. Clwyd asked the Secretary of State for Defence whether any United States units taking part in Reforger exercises in Europe will come to Britain.

Mr. Stanley: Two United States army units will deploy to military training areas in the United Kingdom during the exercise.

Mrs. Clwyd asked the Secretary of State for Defence whether United States F1-11 aircraft based in Britain will take part in January's Reforger exercises.

Mr. Stanley: I will answer shortly.

Mrs. Clwyd asked the Secretary of State for Defence whether A-10 aircraft of the United States Air Force in Suffolk will be taking part in the January Reforger exercises.

Mr. Stanley: No.

Mrs. Clwyd asked the Secretary of State for Defence whether any British units will take part in the January Reforger exercises.

Mr. Stanley: No, but support facilities will be made available to the United States forces at two RAF bases in the Federal Republic of Germany.

SOCIAL SERVICES

National Radiological Protection Board

Mr. Alton asked the Secretary of State for Social Services what was the total amount of public money paid to the National Radiological Protection Board in 1983 and 1984; and how much it will receive in 1985.

Mr. Kenneth Clarke: Net funding by our Department was £3·6 million in 1983-84 and £3·8 million in 1984-85. Final decisions have not yet been taken on the allocation for 1985-86.

Oglesby Report

Mr. Frank Field asked the Secretary of State for Social Services if he will publish a list detailing those recommendations of the Oglesby report which have been implemented by the Government and those recommendations which still await implementation.

Mr. Newton: I refer the hon. Member to my reply to my hon. Friend the Member for Halifax (Mr. Galley) on 17 December 1984 at column 46. I hope to announce shortly the Government's response to those recommendations of the report which have not yet been implemented.

EC Anti-poverty Programme

Mr. Cohen asked the Secretary of State for Social Services what are Her Majesty's Government's objections to the European Commission's latest anti-poverty programme proposals.

Mr. John Patten: The Government are party to the decision of the Council of Ministers of Labour and Social Affairs of 19 December 1984 that a second European Community programme to combat poverty should take place from 1985 to 1988. The United Kingdom will be participating fully in the programme.

Epilim

Mr. Gareth Wardell asked the Secretary of State for Social Services (1) if he will take steps to secure the inclusion in the British data sheet for Epilim of the psychiatric adverse reactions currently included in the United States Food and Drugs Agency data sheet.

(2) if he will take steps to secure the inclusion in the British data sheet for Epilim of the precautions regarding infertility currently included in the United States Food and Drugs Agency data sheet.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

Severe Disablement Allowance

Mr. Alfred Morris asked the Secretary of State for Social Services how many people were transferred from *(a)* non-contributory invalidity pension and *(b)* housewives non-contributory invalidity pension to the severe disablement allowance in November 1984.

Mr. Newton: An estimated 163,000 and 58,600 respectively. The first figure is probably underestimated but the extent of this will not be known until the results of the annual statistical exercise are available next year.

Mr. Alfred Morris asked the Secretary of State for Social Services how many *(a)* favourable and *(b)* unfavourable decisions on applications for severe disablement allowance have been made to date.

Mr. Newton: 139 and 320 respectively, as at 15 January.

Mr. Alfred Morris asked the Secretary of State for Social Services how many applications for severe disablement allowance have been received to date from *(a)* men, *(b)* single women and *(c)* married women.

Mr. Newton: As at 18 December 1984, some 9,500 new claims for severe disablement allowance had been received. A breakdown by sex and marital status of the claimant is available only in respect of those claims that have been decided. For these the figures are 138, 78 and 243 respectively.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will classify refusals of severe disablement allowance to *(a)* men, *(b)* single women and *(c)* married women according to the following reasons (i) over pension age, (ii) age group not phased in, (iii) not incapable of work, (iv) failed the 80 per cent. test and (v) other.

Mr. Newton:

Reason for disallowance	*Men*	*Single and divorced women and widows*	*Married women*
Over pension age	95	57	120
Not incapable of work	2	—	1
Disablement condition not satisfied	—	—	3
Other	24	10	8
TOTAL	121	67	132

Separate information is not available on the number of applications received from those in the second phase age group. These are not normally subject to a formal disallowance. The application is returned with a letter of explanation and a request to resubmit at the appropriate time.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will classify awards of severe disablement allowance to *(a)* men, *(b)* single women and *(c)* married women according to whether they (i) were exempt from the 80 per cent. test on grounds of age, (ii) were passported to the 80 per cent. test or (iii) passed the 80 per cent. test.

Mr. Newton: The available information on new awards of severe disablement allowance as at 15 January is as follows:

	Men	*Single and Divorced women and widows*	*Married Women*
Exempt from disablement condition (under 20 when incapacity arose or claim links with NCIP*/HNCIP†)	11	8	13
Passported to disablement condition	5	3	97
Disablement condition satisfied	1	—	1
	17	11	111

* Non-contributory invalidity pension.
† Housewives' non-contributory invalidity pension.

Invalidity Pension

Mr. Alfred Morris asked the Secretary of State for Social Services how many applications for *(a)* non-contributory invalidity pension and *(b)* housewives non-contributory invalidity pension were received in each month during 1984; how many of each were successful; and how many applications for housewives non-contributory invalidity pension failed on account of (i) the incapacity test and (ii) the household duties test.

Mr. Newton: I regret that information is not available in the form requested.

The table shows the number of claims for non-contributory invalidity pension and housewives' non-contributory invalidity pension received each month during 1984 and the number of awards of housewives' non-contributory invalidity pension made in the same periods. No details are available of the number of awards of non-contributory invalidity pension in any particular period other than those relating to the special exercise to invite claims from people already drawing supplementary benefit to which I referred in my reply of 23 October to the hon. Member for Liverpool, West Derby (Mr. Wareing) at columns *570-571*. These figures are shown separately in the table.

Over the last year 197 married women claiming housewives' non-contributory invalidity pension failed the incapacity test and 2,355 failed the household duties test.

	Non-contributory invalidity pension claims received	Non-contributory invalidity pension claims from special exercise	Non-contributory invalidity pension awards arising from special exercise	Housewives non-contributory pension claims received	Housewives non-contributory pension awards
January	862	—	—	1,273	802
February	1,172	—	—	1,382	888
March	1,146	—	—	1,824	1,101
April	1,283	—	—	1,250	844
May	1,324	—	—	1,275	845
June	2,209	4,354	1,601	1,950	1,085
July (i)	3,292	9,412	4,022	1,497	949
July (ii)	3,151	6,616	3,407		
August	2,125	4,264	2,693	1,924	1,059
September	2,985	3,061	2,235	1,768	1,075
October	3,107	3,451	2,053	2,414	1,022
November	3,271	2,208	2,151	3,304	1,410
December	2,289	1,095	1,352	853	837

NCIP figures are based on 4-weekly returns hence 13 entries.

Nursing Homes

Mr. Dobson asked the Secretary of State for Social Services (1) what were the total numbers of *(a)* private hospitals, homes and clinics registered on 31 December 1983 under section 3 of the Nursing Homes Act 1975 and *(b)* beds they contain; and if he will give the figures for each region;

(2) what were the total numbers of *(a)* private hospitals, homes and clinics registered on 31 December 1983 under section 3 of the Nursing Homes Act 1975 which contain operating theatres and *(b)* beds they contain; and if he will give the figures for each region;

(3) what is the total number of private hospitals, homes and clinics registered on 31 December 1983 under section 3 of the Nursing Homes Act 1975 which contain both operating theatres and *(a)* pathology departments and *(b)* radiology departments; and if he will give the figures for each region;

(4) if he will list the registered nursing homes with operating theatres in England on 31 December 1983 giving in each case the number of beds and the health district and region;

(5) if he will give for 31 December 1983 and for each health district, the total number of beds in private hospitals, nursing homes and clinics registered under section 3 of the Nursing Homes Act 1975 which contain operating theatres, the total number of state registered nurses working in those institutions and the appropriate whole-time equivalent figure and the total number of all nursing staff working in those institutions and the appropriate whole-time equivalent figure;

(6) if he will give for 31 December 1983 and for each health district, the total number of beds in private hospitals, nursing homes and clinics registered under section 3 of the Nursing Homes Act 1975, the total number of state registered nurses working in those institutions and the appropriate whole-time equivalent figure and the total number of all nursing staff working in those institutions and the appropriate whole-time equivalent figure;

(7) what are the total numbers of *(a)* nursing staff and *(b)* medical practioners employed (i) by all the private hospitals, homes and clinics registered on 31 December 1983 under section 3 of the Nursing Homes Act 1975 and (ii) by those private hospitals, homes and clinics which contain operating theatres; and if he will give the figures for each region.

Mr. Kenneth Clarke: We have not yet received and compiled the detailed information requested. When it is available, I will reply to the hon. Member.

Mr. Dobson asked the Secretary of State for Social Services if he will give the total number of Part III accommodation places provided in; *(a)* private homes and *(b)* voluntary homes on 31 March.

Mr. John Patten: Information is not available in precisely the form requested. The available data, relating to the position at 31 March 1984, are as follows:

Number of residents supported by local authorities in registered homes for the elderly and disabled

	No.
Voluntary homes	12,634
Private homes	1,574

Further details are given in the Department's publication "Residential Accommodation for the Elderly and for Younger Physically Handicapped People", a copy of which is held in the Library.

Mr. Stott asked the Secretary of State for Social Services (1) what is the cost charged to his Department by private nursing homes for each individual resident within the Wigan area whose fees are paid by his Department;

(2) how many residents there are in the Wigan area health authority who are inmates of private nursing homes and whose fees are paid by his Department.

Mr. Whitney: I assume the hon. Member has in mind those residents in private nursing homes whose fees are being met in part or in whole by supplementary benefit. I understand that there are no such residents in the area covered by the Wigan local DHSS office.

Private Hospitals

Mr. Dobson asked the Secretary of State for Social Services if he will list the private hospitals offering acute medical and surgical care which treat National Health Service patients under contractual arrangements with health authorities.

Mr. Kenneth Clarke: The private institutions offering medical and surgical care under contractual arrangements with health authorities in 1983 are as follows, as reported by the authorities, within the NHS regions in which they are located. The list includes care provided in various

aspects of patient service including medical, surgical, pre-convalescent and post-operative, diseases of chest, rehabilitation and terminal care.

Private hospitals providing medical and surgical care to NHS patients under contractual arrangements with health authorities (provisional list)

Northern region
Marie Curie Memorial Foundation, Newcastle-upon-Tyne
The Northumberland Cheshire Home, Matfen, Nr. Newcastle
Yorkshire region
St. John of God Hospital, Scorton, Richmond, N. Yorks
Sue Ryder Home, Oxenhope, Keighley
Belvedere Nursing Home, Scarborough
Trent region
St. Lukes Nursing Home, Sheffield
Staunton Harold Cheshire Home, Leicester
E. Anglian region
North Sea Medical Centre, Great Yarmouth*
All Hallows Hospital, Bungay
Papworth Village Settlement, Papworth Everard
North West Thames region
St. Vincents Orthopaedic Hospital, Eastcote, Middlesex
British Pregnancy Advisory Service, London Victoria Branch SW1
North East Thames region
Abberton Manor Nursing Home
Crouchend Court Nursing Home, Colchester
The Marillac, Warley, Essex
St. Josephs Nursing Home, Danbury, Chelmsford
The Hospital and Home of St. Giles, East Hanningfield, Chelmsford
St. Josephs Hospice, Hackney, London E8 4SA
South East Thames region
Fallowfield, Chislehurst
Copper Cliff Nursing Home, Brighton
Leonard Cheshire Foundation, Maidstone
Benenden Chest Hospital, Cranbrook, Kent
Horder Centre for Arthritics, Crowborough
St. Christophers Hospice, Sydenham, London SE26
Edith Priday Red Cross Home, Blackheath, SE3
South West Thames region
Holy Cross Hospital, Haslemere
King Edward VII Hospital, Midhurst
Royal Hospital and Home for Incurables, Putney
Trinity Hospice, Clapham Common, London
Hydon Hill Nursing Home, Godalming, Surrey
The Royal Star and Garter Home for Disabled Sailors, Soldiers and Airmen, Richmond-upon-Thames
St. Teresa's Hospital, Wimbledon
Rustington Convalescent Home
Victoria House, Leatherhead
Wessex region
Newlands Private Nursing Home, Southsea
Anglesey Lodge Nursing Home, Alverstoke
Birchy Hill Nursing Home, Lymington
Kenton House, Borden
Hill House Rest Home, Lyndhurst
Penerley Lodge, Beaulieu
Farnhill Nursing Home, Swindon
Bethany House Nursing Home, Swindon
Alexandra Nursing Home, Bournemouth
Ashley Lodge, Ashley
Oxford region
Byron House Nursing Home, Aylesbury, Bucks
Chiltern Cheshire Home, Gerrards Cross, Bucks
Leonard Cheshire Home, Oxford
South Western region
Henley House, Truro
St. Michael's Hospital, Hayle, Cornwall
Penair Nursing Home, St. Clement, Truro
Torbay and South Devon Hospice, Torquay
Blackdown Nursing Home, Tavistock
West Midlands region
Stuby Leas Rest Home, Lichfield
St. Giles Hospice, Lichfield
St. Marys Hospice, Selly Park, Birmingham
Derwen Treatment and Rehabilitation Centre, Oswestry
Compton Hall, Wolverhampton
Douglas MacMillan Home, Stoke-on-Trent
Department of Physical Medicine, Leamington Spa*
Warwickshire Orthopaedic Hospital, Coleshill, Birmingham
Myton Hamlet Hospice, Warwick
Wharf Street Hostel, Warwick
Helen Leys, Leamington
Mersey region
Sunny Bank Nursing Home, Liverpool
David Lewis Centre, Alderley Edge, Cheshire
British Pregnancy Advisory Service, Liverpool*
North Western region
St. John of God Hospital, Silverdale, Lancaster
St. Ann's Hospice, Heald Green
St. Ann's Hospice, Little Hulton
* Out-patients only.

Mr. Dobson asked the Secretary of State for Social Services what proposals for private hospitals have been notified to him or authorised by him under the Health Services Act 1976, as amended by the Health Services Act 1980, since the last notification listed in his answer of 28 March 1984, *Official Report*, columns *219-20*.

Mr. Kenneth Clarke: Since 28 March 1984, seven notifications have been received as follows. No applications for authorisation have been made.

	Number of Beds
Bourn Hall clinic, Bourn Cambridge	*42
Lansdowne private hospital, 67 Lansdowne Road, Bournemouth	†26
Rochelles Farm, Lawn Lane, Springfield, Chelmsford, Essex	66
Clare Park clinic, Clare Park, Crondall Lane, Crondall, Farnham, Surrey	†18
Blackheath hospital, 40-42 Lee Terrace, London SE3	64
South Bank hospital, Bath Road, Worcester	†2
Preston Independent hospital, Midgery Lane, Fulwood, Preston	‡36
Nursing centre, Street Lane, Leeds	50

* Replacement for 30 beds in temporary accommodation
† Extensions to existing hospitals.
‡ Substitution for notification in respect of Clifton Hall Nursing Home.

NHS (Ancillary Services)

Mr. Dobson asked the Secretary of State for Social Services (1) if he will give for each district in 1983-84 the total expenditure on cleaning, the expenditure on services provided by private cleaning companies, the latter figure as a percentge of the former, and the difference between that percentage and the percentage in the previous year;

(2) if he will give for each district in 1983-84 the total expenditure on catering, the expenditure on services provided by private catering companies, the latter figure as a percentage of the former, and the difference between that percentage and the percentage in 1982-83;

(3) if he will give for 1983-84 for each region the figures for payments to outside contractors for support services and for contractual arrangements for patient care indicating the services provided; and if he will also give each figure as a percentage of the total expenditure on the relevant service in each region;

(4) if he will give for each district in 1983-84 the total expenditure on laundry, the expenditure on services provided by private laundry companies, the latter figure as a percentage of the former and the difference between that percentage and the percentage in 1982-83.

Mr. Kenneth Clarke: I shall let the hon. Member have replies as soon as possible.

Patient Care

Mr. Dobson asked the Secretary of State for Social Services if he will give for each district the expenditure on contractual arrangements for patient care in 1983-84.

Mr. Kenneth Clarke: Following are the figures shown by the annual accounts of district health authorities for 1983-84:

Expenditure on contractual arrangements for patient care—1983-84

District health authorities	£
Northern region	
Hartlepool	—
North Tees	—
South Tees	5,708
East Cumbria	256,400
South Cumbria	—
West Cumbria	—
Darlington	572,127
Durham	5,250
North West Durham	—
South West Durham	9,035
Northumberland	334,194
Gateshead	6,747
Newcastle upon Tyne	80,473
North Tyneside	—
South Tyneside	—
Sunderland	—
Total	1,269,934
Yorkshire region	
Hull	4,516
East Yorkshire	—
Grimsby	—
Scunthorpe	30,803
Northallerton	1,232,353
York	—
Scarborough	—
Harrogate	11,349
Bradford	—
Airedale	—
Calderdale	39,532
Huddersfield	109,572
Dewsbury	17,683
Leeds Western	23,798
Leeds Eastern	84,227
Wakefield	6,275
Pontefract	—
Total	1,560,108
Trent region	
North Derbyshire	—
South Derbyshire	14,167
Leicestershire	37,176
North Lincolnshire	19,387
South Lincolnshire	—
Bassetlaw	—
Central Notthinghamshire	—
Nottingham	2,297
Barnsley	41
Doncaster	—
Rotherham	50,054
Sheffield	615,255
Total	738,377
East Anglian region	
Cambridge	—
Peterborough	51,500
West Suffolk	161,794
East Suffolk	96,594
Norwich	104,666
Great Yarmouth	—
West Norfolk and Wisbech	—
Huntingdon	8,920
Total	423,474
North West Thames region	
North Bedfordshire	—
South Bedfordshire	—
North Hertfordshire	59,523
East Hertfordshire	682,473
North West Hertfordshire	14,358
South West Hertfordshire	128,976
Barnet	—
Harrow	—
Hillingdon	1,514,847
Hounslow and Spelthorne	87,944
Ealing	6,993
Brent	—
Paddington	354,021
Hammersmith and Fulham	82,669
Victoria	150,947
Total	3,082,751
North East Thames region	
Basildon and Thurrock	4,425
Mid Essex	335,087
North East Essex	464,251
West Essex	3,585
Southend	38,979
Barking, Havering and Brentwood	496,636
Hampstead	201,233
Bloomsbury	475,988
Islington	—
City and Hackney	1,292,433
Newham	5,525
Tower Hamlets	68,514
Enfield	650,465
Harringey	293,453
Redbridge	—
Waltham Forest	76,458
Total	4,407,032
South East Thames region	
Brighton	102,068
Eastbourne	208,339
Hastings	14,282
South East Kent	39,908
Canterbury and Thanet	51,780
Dartford and Gravesham	—
Maidstone	12,239
Medway	16,909
Tunbridge Wells	58,759
Bexley	—
Greenwich	129,147
Bromley	406,701
West Lambeth	37,252
Camberwell	52,169
Lewisham and North Southwark	318,020
Total	1,447,573
South West Thames region	
North West Surrey	236,136
West Surrey and North East Hampshire	274,095
South West Surrey	1,138,748
Mid Surrey	194,833
East Surrey	131,230
Chichester	912,906
Mid Downs	346,999
Worthing	774,231
Croydon	126,484
Kingston and Esher	129,225
Richmond, Twickenham and Roehampton	719,307
Wandsworth	634,344
Merton and Sutton	301,346

District health authorities	£
Total	5,919,884
Wessex region	
East Dorset	462,969
West Dorset	11,447
Portsmouth and South East Hampshire	493,554
Southampton and South West Hampshire	89,637
Winchester	78,220
Basingstoke and North Hampshire	115,844
Salisbury	16,474
Swindon	7,915
Bath	—
Isle of Wight	—
Total	1,276,060
Oxford region	
East Berkshire	190,300
West Berkshire	8,205
Aylesbury	28,250
Wycombe	40,535
Milton Keynes	117,172
Kettering	24,670
Northampton	523,094
Oxford	234,595
Total	1,166,821
South Western region	
Bristol and Weston	70,612
Frenchay	51,012
Southmead	26,663
Cornwall	1,790,985
Exeter	—
North Devon	—
Plymouth	230,486
Torbay	100,560
Cheltenham	5,300
Gloucester	52,001
Somerset	—
Total	2,327,619
West Midlands region	
Bromsgrove and Redditch	22,238
Hereford	—
Kidderminster	1,962
Worcester	38,807
Shropshire	86,069
Mid Staffordshire	91,720
North Staffordshire	188,409
South East Staffordshire	67,620
Rugby	20,916
North Warwickshire	668,670
South Warwickshire	451,178
Central Birmingham	23,569
East Birmingham	—
North Birmingham	14,873
South Birmingham	47,692
West Birmingham	—
Coventry	114,631
Dudley	73,891
Sandwell	50,111
Solihull	—
Walsall	33,968
Wolverhampton	60,000
Total	2,056,324
Mersey region	
Chester	—
Crewe	8,463
Halton	—
Macclesfield	—
Warrington	—
Liverpool	1,427,850
St. Helens and Knowsley	—
Southport and Formby	513,114
South Sefton	1,200
Wirral	—
Total	1,950,627
North Western region	
Lancaster	348,663
Blackpool, Wyre and Fylde	—
Preston	901,586
Blackburn, Hyndburn and Ribble Valley	—
Burnley, Pendle and Rossendale	23,081
West Lancashire	—
Chorley and South Ribble	702,225
Bolton	—
Bury	—
North Manchester	712,784
Central Manchester	—
South Manchester	630,041
Oldham	40,000
Rochdale	—
Salford	401,853
Stockport	—
Tameside and Glossop	95,000
Trafford	87,782
Wigan	34,500
Total	3,977,515

Consultants

Mr. Dobson asked the Secretary of State for Social Services if he will give for 30 September 1984 and for each region and each special health authority and board of governors the total number of consultants holding *(a)* full-time, *(b)* maximum part-time, *(c)* other part-time and *(d)* honorary contracts.

Mr. Kenneth Clarke: There are no figures yet available for later than 30 September 1983. I shall let the hon. Members have the information for 1984 as soon as possible.

Health Authorities (Income)

Mr. Dobson asked the Secretary of State for Social Services if he will give for 1983-84 and for each region, district and special health authority and board of governors the total income received under *(a)* section 58, *(b)* section 65 and *(c)* section 66 of the National Health Service Act 1977.

Mr. Kenneth Clarke: Following are the figures shown by the authorities' annual accounts for 1983-84:

	Section 58 £	*Section 65* £	*Section 66* £
Northern Region			
Regional Health Authority	—	—	—
Districts:			
Hartlepool	—	27,211	8,682
North Tees	282	31,806	4,594
South Tees	—	105,448	38,330
East Cumbria	—	83,370	12,713
South Cumbria	—	96,425	13,447
West Cumbria	—	30,001	3,643
Darlington	—	53,125	7,146
Durham	—	19,802	4,855
North West Durham	—	22,277	2,288
South West Durham	95	20,573	4,386
Northumberland	—	29,103	4,762
Gateshead	—	6,529	7,050
Newcastle upon Tyne	425	257,962	42,621

	Section 58 £	Section 65 £	Section 66 £
North Tyneside	—	27,490	1,407
South Tyneside	—	29,785	7,202
Sunderland	—	89,017	23,546
Total	802	929,926	186,674
Yorkshire Region			
Regional Health Authority	—	—	5,200
Districts:			
Hull	4,675	66,702	24,901
East Yorks	—	59,038	10,216
Grimsby	—	76,473	37,534
Scunthorpe	2,297	84,061	13,071
Northallerton	—	39,706	4,452
York	—	88,096	35,112
Scarborough	—	23,112	24,422
Harrogate	—	144,084	8,317
Bradford	—	168,005	35,508
Airedale	—	230,612	15,158
Calderdale	—	412,497	38,006
Huddersfield	—	156,764	20,549
Dewsbury	—	61,650	7,957
Leeds Western	—	724,139	48,446
Leeds Eastern	—	175,857	20,564
Wakefield	—	159,808	26,146
Pontefract	—	59,392	12,435
Total	6,972	2,729,993	387,996
Trent Region			
Regional Health Authority	—	—	—
Districts:			
North Derbyshire	—	67,550	12,189
South Derbyshire	3,250	181,315	34,671
Leicestershire	—	339,204	40,823
North Lincolnshire	6,297	95,728	41,189
South Lincolnshire	—	196,359	24,623
Bassetlaw	—	42,151	9,441
Central Nottinghamshire	—	109,764	21,742
Nottingham	2,798	296,982	44,787
Barnsley	—	45,387	11,515
Doncaster	4,768	25,548	10,598
Rotherham	—	—	—
Sheffield	1,273	174,373	35,311
Total	18,386	1,574,360	286,889
East Anglian Region			
Regional Health Authority	—	—	—
Districts:			
Cambridge	—	268,031	40,248
Peterborough	10,923	31,414	17,417
West Suffolk	5,145	156,399	12,488
East Suffolk	—	425,352	8,889
Norwich	—	634,809	38,420
Great Yarmouth	—	68,670	11,015
West Norfolk and Wisbech	—	125,540	15,192
Huntingdon	—	52,790	2,513
Total	16,068	1,763,004	146,183
North West Thames Region			
Regional Health Authority	—	—	—
Districts:			
North Bedfordshire	—	156,898	23,249
South Bedfordshire	1,203	49,886	20,250
North Hertfordshire	4,372	51,875	8,346
East Hertfordshire	—	108,911	19,463
North West Hertfordshire	18	223,761	22,435
South West Hertfordshire	2,431	67,440	9,049
Barnet	1,666	141,269	50,098
Harrow	2,250	94,489	11,999
Hillingdon	—	472,123	45,468
Hounslow and Spelthorne	—	100,514	32,141
Ealing	—	6,642	5,084
Brent	—	73,095	10,552
Paddington	—	1,881,595	91,800
Hammersmith and Fulham	—	1,025,952	119,949
Victoria	—	1,454,800	125,957
Total	11,941	5,909,250	595,840
North East Thames Region			
Regional Health Authority	—	—	—
Districts:			
Basildon and Thurrock	—	145,625	32,075
Mid Essex	—	380,860	49,189
North East Essex	—	143,205	25,739
West Essex	—	276,443	36,347
Southend	1,510	139,595	29,446
Barking, Havering and Brentwood	—	228,274	93,712
Hampstead	—	1,179,757	125,321
Bloomsbury	—	4,115,076	306,035
Islington	—	90,362	8,232
City and Hackney	—	365,813	19,360
Newham	—	12,239	875
Tower Hamlets	—	895,519	56,666
Enfield	—	55,519	12,704
Haringey	—	50,592	24,148
Redbridge	—	133,588	24,579
Waltham Forest	3,329	94,622	17,576
Total	4,839	8,307,089	862,005
South East Thames Region			
Regional Health Authority	—	—	—
Districts:			
Brighton	5,240	345,878	42,393
Eastbourne	—	53,152	29,140
Hastings	10	102,134	15,703
South East Kent	—	52,644	12,077
Canterbury & Thanet	5,515	77,926	54,812
Dartford & Gravesham	60	54,634	23,219
Maidstone	2,046	44,774	23,029
Medway	—	42,319	40,925
Tunbridge Wells	—	712,129	69,613
Bexley	—	132,496	24,318
Greenwich	4,236	174,459	35,447
Bromley	—	206,008	44,131
West Lambeth	—	1,379,422	74,539
Camberwell	—	1,315,985	66,396
Lewisham & North Southwark	—	1,495,880	45,209
Total	17,107	6,189,838	600,952
South West Thames Region			
Regional Health Authority	—	—	—
Districts:			
North West Surrey	—	236,785	43,073
West Surrey & North East Hampshire	5,874	162,959	37,792
South West Surrey	—	93,984	60,470
Mid Surrey	—	371,122	32,438
East Surrey	—	368,219	16,586
Chichester	—	109,743	19,094

	Section 58 £	Section 65 £	Section 66 £
Mid Downs	—	408,446	49,956
Worthing	—	43,757	562
Croydon	—	81,728	12,493
Kingston & Esher	—	143,423	14,476
Richmond, Twickenham & Roehampton	—	46,815	19,050
Wandsworth	14	302,086	35,150
Merton & Sutton	3,860	251,266	24,908
Total	9,748	2,620,333	366,048
Wessex Region			
Regional Health Authority	—	—	—
Districts:			
East Dorset	—	147,630	30,489
West Dorset	11,310	26,893	4,598
Portsmouth & South East Hampshire	—	398,471	62,790
Southampton & South West Hampshire	—	339,742	49,523
Winchester	—	121,586	8,817
Basingstoke & North Hampshire	—	440,564	34,370
Salisbury	—	33,756	12,863
Swindon	—	308,719	51,640
Bath	—	50,039	15,247
Isle of Wight	—	160,089	14,854
Total	11,310	2,027,489	285,191
Oxford Region			
Regional Health Authority	—	—	1,588
Districts:			
East Berkshire	—	100,507	25,635
West Berkshire	—	549,907	32,888
Aylesbury	—	533,152	37,056
Wycombe	3,209	310,821	40,356
Milton Keynes	—	—	2,335
Kettering	—	260,612	28,710
Northampton	12,656	235,716	62,722
Oxford	—	742,916	105,814
Total	15,865	2,733,629	337,105
South Western Region			
Regional Health Authority	—	—	—
Districts:			
Bristol and Weston	—	105,618	39,719
Frenchay	—	103,369	1,568
Southmead	—	12,407	5,884
Cornwall	7,681	100,370	19,598
Exeter	14,330	72,419	27,262
North Devon	—	54,938	8,455
Plymouth	13,422	118,676	20,085
Torbay	—	115,569	34,005
Cheltenham	2,875	338,505	43,858
Gloucester	—	270,890	32,390
Somerset	19,122	292,116	23,733
Total	57,430	1,584,877	256,577
West Midlands Region			
Regional Health Authority	—	—	—
Districts:			
Bromsgrove and Redditch	—	30,437	9,427
Hereford	5,800	44,670	5,255
Kidderminister	—	39,687	11,983
Worcester	—	235,304	36,343
Shropshire	8,985	187,319	16,536
Mid Staffordshire	—	173,400	18,328
North Staffordshire	10,427	161,212	47,644
South East Staffordshire	—	137,258	20,289
Rugby	—	115,676	11,921
North Warwickshire	—	43,976	6,239
South Warwickshire	—	181,070	8,599
Central Birmingham	—	607,275	33,097
East Bimingham	—	35,471	1,416
North Birmingham	3,043	191,846	73,015
South Birmingham	—	125,512	3,789
West Birmingham	1,508	52,853	12,327
Coventry	—	167,732	13,160
Dudley	—	62,617	18,476
Sandwell	—	80,782	8,279
Solihull	1,452	46,225	1,426
Walsall	—	192,313	14,107
Wolverhampton	—	25,283	11,558
Total	31,215	2,937,918	383,212

NHS (Contractual Arrangements)

Mr. Dobson asked the Secretary of State for Social Services if he will give for 1983 for each region and for England as a whole the number of deaths and discharges among, and the number of beds occupied on a given date, by patients receiving treatment under contractual arrangements with institutions outside the National Health Service; and if he will break down these figures into the category of *(a)* medical, *(b)* surgical, *(c)* pre-convalescent and post operative, *(d)* convalescent, *(e)* geriatric, *(f)* diseases of the chest, *(g)* maternity, *(h)* mental illness, *(i)* mental handicap, *(j)* rehabilitation, *(k)* terminal care and *(l)* others.

Mr. Kenneth Clarke: The information requested is given in the tables.

Patients receiving treatment under contractual arrangements with institutions outside the National Health Service in 1983

Specialty	**Deaths and discharges*	*†Beds occupied at 31 December*
England		
Medical	1,384	269
Surgical	9,010	105
Preconvalescent and post operative	565	18
Convalescent	5,978	172
Geriatric	957	787
Diseases of the chest	961	53
Maternity	560	7
Mental illness	441	99
Mental handicap	302	643
Rehabilitation	373	75
Terminal care	3,796	313
Others	174	315
Totals	24,501	2,856
Northern Regional Health Authority		
Medical	—	1
Surgical	82	1
Preconvalescent and post operative	—	—
Convalescent	959	20
Geriatric	—	—
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	2	97
Rehabilitation	—	—
Terminal care	—	—
Others	7	53

Specialty	*Deaths and discharges	†Beds occupied at 31 December
Totals	1,050	172
Yorkshire Regional Health Authority		
Medical	59	8
Surgical	356	5
Preconvalescent and post operative	—	—
Convalescent	401	22
Geriatric	291	58
Diseases of the chest	—	—
Maternity	—	—
Mental illness	35	12
Mental handicap	—	—
Rehabilitation	—	—
Terminal care	59	8
Others	1	14
Totals	1,202	127
Trent Regional Health Authority		
Medical	52	1
Surgical	232	—
Preconvalescent and post operative	—	—
Convalescent	308	11
Geriatric	—	1
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	—	—
Rehabilitation	—	—
Terminal care	410	19
Others	—	—
Totals	1,002	32
East Anglian Regional Health Authority		
Medical	830	18
Surgical	2,320	16
Preconvalescent and post operative	—	—
Convalescent	—	—
Geriatric	40	15
Diseases of the chest	—	—
Maternity	560	7
Mental illness	1	3
Mental handicap	1	35
Rehabilitation	—	—
Terminal care	58	4
Others	—	—
Totals	3,810	98
North West Thames Regional Health Authority		
Medical	—	—
Surgical	1,759	32
Preconvalescent and post operative	—	—
Convalescent	90	—
Geriatric	4	—
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	215	89
Rehabilitation	—	—
Terminal care	19	1
Others	47	58
Totals	2,134	180
North East Thames Regional Health Authority		
Medical	30	97
Surgical	—	—
Preconvalescent and post operative	95	—
Convalescent	1,326	20
Geriatric	24	104
Diseases of the chest	—	—
Maternity	—	—
Mental illness	2	5
Mental handicap	1	47
Rehabilitation	198	20
Terminal care	862	87
Others	50	68
Totals	2,588	448
South East Thames Regional Health Authority		
Medical	1	1
Surgical	—	—
Preconvalescent and post operative	—	—
Convalescent	979	30
Geriatric	13	40
Diseases of the chest	15	—
Maternity	—	—
Mental illness	—	1
Mental handicap	—	—
Rehabilitation	101	47
Terminal care	24	3
Others	4	24
Totals	1,137	146
South West Thames Regional Health Authority		
Medical	145	103
Surgical	738	4
Preconvalescent and post operative	470	18
Convalescent	178	1
Geriatric	50	131
Diseases of the chest	913	43
Maternity	—	—
Mental illness	6	2
Mental handicap	3	60
Rehabilitation	—	—
Terminal care	207	23
Others	7	57
Totals	2,717	442
Wessex Regional Health Authority		
Medical	18	16
Surgical	116	—
Preconvalescent and post operative	—	—
Convalescent	33	3
Geriatric	60	98
Diseases of the chest	3	2
Maternity	—	—
Mental illness	4	6
Mental handicap	—	7
Rehabilitation	—	—
Terminal care	1	3
Others	1	33
Totals	236	168
Oxford Regional Health Authority		
Medical	—	7
Surgical	—	—
Preconvalescent and post operative	—	—
Convalescent	—	—
Geriatric	—	—
Diseases of the chest	—	—
Maternity	—	—
Mental illness	46	31
Mental handicap	—	2
Rehabilitation	—	—
Terminal care	—	1

Specialty	*Deaths and discharges	†Beds occupied at 31 December
Others	—	—
Totals	46	41
South Western Regional Health Authority		
Medical	248	17
Surgical	1,975	24
Preconvalescent and post operative	—	—
Convalescent	1,565	57
Geriatric	44	30
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	—	—
Rehabilitation	—	—
Terminal care	75	15
Others	57	7
Totals	3,964	150
West Midlands Regional Health Authority		
Medical	1	—
Surgical	1,432	23
Preconvalescent and post operative	—	—
Convalescent	—	—
Geriatric	—	—
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	3	19
Rehabilitation	74	8
Terminal care	1,007	59
Others	—	—
Totals	2,517	109
Mersey Regional Health Authority		
Medical	—	—
Surgical	—	—
Preconvalescent and post operative	—	—
Convalescent	—	—
Geriatric	40	67
Diseases of the chest	—	—
Maternity	—	—
Mental illness	—	—
Mental handicap	76	160
Rehabilitation	—	—
Terminal care	87	11
Others	—	—
Totals	203	238
North Western Regional Health Authority		
Medical	—	—
Surgical	—	—
Preconvalescent and post operative	—	—
Convalescent	139	8
Geriatric	391	243
Diseases of the chest	30	8
Maternity	—	—
Mental illness	347	39
Mental handicap	1	127
Rehabilitation	—	—
Terminal care	987	80
Others	—	—
Totals	1,895	505

* Provisional figures.
† Bed occupation at 31 December may not be typical of the year as a whole.

Residential Care

Mr. Dobson asked the Secretary of State for Social Services if he will give for 1982-83 and 1983-84 the total payments by local authorities to voluntary and private organisations providing residential care to *(a)* the elderly, *(b)* children, *(c)* young handicapped, *(d)* mentally handicapped adults, *(e)* mentally handicapped children and *(f)* the mentally ill.

Mr. John Patten: Local authorities personal social services expenditure on residential care services provided by voluntary organisations and registered private persons is as follows:

England

£ million cash

	1982-83	*1983-84
Services principally for:		
Elderly	35·5	36·4
Children	48·1	46·5
Younger physically disabled	29·6	30·0
Mentally handicapped adults	20·7	24·4
Mentally handicapped chidren	4·9	5·6
Mentally ill	5·0	5·4

* Provisional.

In addition local authorities made general contributions to voluntary organisations of £30·4 million in 1982-83 and £33·5 million in 1983-84. Some of these organisations will provide residential care services.

Pay Beds

Mr. Dobson asked the Secretary of State for Social Services whether pay bed charges are fixed so as to make a surplus for the National Health Service after deducting the costs of treating the private patients.

Mr. Kenneth Clarke: The charges are set to reflect the estimated long run marginal cost of treating patients in those hospitals to which the charges relate.

Private Patients

Mr. Dobson asked the Secretary of State for Social Services if he will list those regional health authorities which take into account districts' income from private patients when determining resource allocations to district health authorities.

Mr. Kenneth Clarke: We do not collect full and detailed information about the basis of allocations of resources by Regions to Districts but I am not aware of any that take income from private patients into account.

Chrysoidine Dye

Mr. Mason asked the Secretary of State for Social Services whether the Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment has now examined the report, "Maggots Dyed with Chrysoidine: A Possible Risk to Anglers", which appeared in the October edition of the *British Medical Journal*, column 289, a copy of which he has received; what were its conclusions; if its review on the harmful effects of chrysoidine dye is now complete; and if he will make a statement.

Mr. John Patten: The Committee on Carcinogenicity of Chemicals in Food, Consumer Products and the Environment considered the report to which the right hon. Member refers at its meeting in December 1984.

The committee recognised the although clinical evidence such as that presented in the report and other literature does not rule out a link between exposure to chrysoidine and bladder cancer, there is no positive evidence to support such a hypothesis. Both people referred to in the report were heavy cigarette smokers and heavy smoking is known to be associated with a number of forms of cancer, including that of the bladder. Indeed, the report's author recognised that cigarette smoking, as well as chrysoidine, may have been instrumental in the development of the bladder cancers.

The committee emphasised that it is not possible to draw conclusions about cause and effect from isolated cases and stressed that the available epidemiological and experimental evidence showed no relationship between chrysoidine and cancer, either in workers handling the substance or in anglers.

The committee will continue to pay careful attention to any clinical, epidemiological or experimental evidence regarding the possible harmful effects of the dye chrysoidine and will review their advice to the Department as necessary.

Limited List Prescribing

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will list in the *Official Report* the names of those senior officials of his Department who have met to discuss his limited list proposals with registered charities, community health councils, family practitioners' committees, health service unions and professional bodies, and dispensing chemists; and if he will state in each case *(a)* the name of the organisation with whom the meeting took place, *(b)* its date and *(c)* its duration.

Mr. Kenneth Clarke: No meetings on our limited list proposals have been held with registered charities, community health councils, family practitioner committees or Health Service unions. Various meetings have taken place with bodies representing the medical and pharmaceutical professions and the pharmaceutical industry. No useful purpose would be served by listing the names of officials involved.

Mrs. Ann Winterton asked the Secretary of State for Social Services when the products containing folic acid and vitamin B12 were added to the list of vitamins that will continue to be prescribable on the National Health Service from 1 April; how many other preparations have so far been added to the list announced on 8 November 1984; when they were added; and what is the overall effect of these additions on the prescribed savings of £100 million.

Mr. Kenneth Clarke: It was never our intention that prescriptions for vitamin B12 or folic acid should be affected by the limited list proposals. The final list of drugs to remain available on the National Health Service in each of the groups covered by the proposals will not be determined until our consultation with the professions and industry is complete.

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will give an estimate of the total number of patients likely to be affected by his limited list proposals as they now stand either by *(a)* having to pay for preparations which they obtain free at present or *(b)* having to switch to an alternative preparation to the one they receive now.

Mr. Kenneth Clarke: Whilst some patients might choose to pay for their medicines there will be no need for anyone to do so as there will be an adequate range of effective medicines available on the NHS. The final list of drugs to remain available in each of the groups covered by our limited list proposals will not be determined until consultation with the professions and industry is complete. It would be misleading to estimate at this stage the number of patients who might need to switch to alternative medicines still available under the NHS.

Mr. Skeet asked the Secretary of State for Social Services whether he proposes to permit general practitioners to have a final say in prescribing a proprietary drug if he is satisfied it has greater efficacy than its generic equivalents on the prescribed list.

Mr. Kenneth Clarke: This will not be necessary. We propose to produce a list of drugs prescribable on the National Health Service which will meet all clinical needs. These will not necessarily be "generic equivalents" to proprietary drugs but will be a range of alternative medicines which are both effective and cheap.

Mr. Skeet asked the Secretary of State for Social Services how many drugs are prescribed under the National Health Service; what percentage of the total are likely to be affected by the proposed limited list; and of the drugs presently prescribable, what percentage of the total are proprietary drugs.

Mr. Kenneth Clarke: I shall let my hon. Friend have a reply as soon as possible.

Mr. Skeet asked the Secretary of State for Social Services what assessment he has made of the number of pharmaceutical companies likely to be significantly affected by the proposed limited prescribing list.

Mr. Kenneth Clarke: We have always known that the full effect on individual companies could not be estimated sensibly until the limited prescribing list is finalised.

Warnock Report

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will give a breakdown of the £194,000 cost of producing the Warnock report.

Mr. Kenneth Clarke: The breakdown is as follows:

	£
Expenses of chairman and members	20,600
Departmental staff, accommodation and services	173,400
Total	194,000

Mrs. Ann Winterton asked the Secretary of State for Social Services if he will make available in the Library copies of all those responses which he has received following the publication of the Warnock report that are listed in his reply of 9 January, *Official Report*, columns *503-5*.

Mr. Kenneth Clarke: I will arrange for this to be done where the organisation concerned is willing for its response to be made public.

Population Statistics

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what is his latest estimate of the current percentage of the population who at some stage live in two-parent two-child households.

Mr. John Patten: It is estimated that at the time of the 1981 census about one quarter of the population of England and Wales were members of two-parent two-child families. Approximately a further one-fifth of the population were members of two-parent families with 3 or more children.

No precise estimates are available for the proportions of persons who did not belong to such families at the time of the census but who, either as a child or a parent, belonged to a two-parent two-child family before the census or who will belong to such a family in the future. However, over a whole life-time, whether as children or parents, much the greatest part of the population will at some stage either live or have lived as part of a two-parent two-child family.

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what is the latest estimate of the percentage of children who grow up in families with three or more children.

Mr. John Patten: Families numbering three or more children have accounted for about half of all children born to the group of women who are currently reaching the end of the childbearing ages. Although children do not necessarily spend all the years of their childhood in the family unit in which they are born, this figure provides a reasonable estimate of the proportion of children who at some stage are part of a family of three or more children.

Bassetlaw District Hospital

Mr. Ashton asked the Secretary of State for Social Services (1) how many patients have had to be transferred from Bassetlaw district hospital because the intensive care unit is not being used;

(2) how many vacancies there are at Bassetlaw district general hospital, Worksop, for consultants and junior doctors, respectively; how long these posts have been vacant; and what measures are being taken to fill them.

Mr. Kenneth Clarke: We do not collect this sort of detailed local information centrally. The hon. Member may wish to seek information from the chairman of the Bassetlaw health authority.

Mr. Ashton asked the Secretary of State for Social Services how many operations have had to be postponed at Bassetlaw district hospital due to a shortage of doctors; and when permission will be given to the hospital to train junior doctors.

Mr. Kenneth Clarke: I shall let the hon. Member have a reply as soon as possible.

EEC Anti-poverty Programme

Mr. Meadowcroft asked the Secretary of State for Social Services (1) if he will announce details of his Department's arrangements for inviting applications for funds from the European Economic Community anti-poverty programme and of the timetable for decision making on applications;

(2) if he will list the steps he is taking to encourage the voluntary sector to participate in the European Economic Community anti-poverty programme;

(3) if he will list the consultations his Department has initiated to ensure that the United Kingdom participates to the maximum extent in the European Economic Community anti-poverty programme.

Mr. John Patten: Officials of this Department and of other relevant Departments in the United Kingdom, representatives of voluntary organisations and individual experts have played a full part in the numerous consultations arranged by the European Commission on its proposals for a second European community programme to combat poverty. The Council of Ministers agreed on 19 December 1984 that a second programme would take place in the four years 1985-88 with a maximum EC expenditure of 25 million ecu (approximately £15 million). There have been meetings with individuals and organisations in this country from central and local government, institutions and relevant voluntary organisations to discuss arrangements for the programme and for United Kingdom participation. The Department will shortly announce arrangements and the timetable for the submission of applications for the limited funds available from those voluntary and other organisations who are most likely to be interested in undertaking action research projects under the programme and whose activities relate most closely to the themes put forward by the Commission.

"Women and the Health Service"

Mrs. Renée Short asked the Secretary of State for Social Services which of the recommendations issued in the report entitled "Women and the Health Service" published by the Women's National Commission, a copy of which has been sent to him, he intends to implement.

Mr. Kenneth Clarke: We are now considering this report which we have only just received.

AIDS

Mrs. Renée Short asked the Secretary of State for Social Services what action he proposes to take to check the growth rates of acquired immune deficiency syndrome.

Mr. Kenneth Clarke: We are considering the public health implications of AIDS and what further steps might be taken to control it. We have established an expert advisory group to advise the health departments in the United Kingdom, whose members will include experts on all aspects of the disease. Their advice will be valuable in assisting the formulation of a strategy for prevention and control.

There is at present no vaccine against AIDS or specific treatment, but general preventive measures and health education have a major part to play in controlling the disease.

Interim guidelines drawn up by the Advisory Committee on Dangerous Pathogens on the safe handling of AIDS patients have recently been published jointly by our Department and the Health and Safety Commission. These set out the measures which should be taken to protect clinical and laboratory staff who come into contact with patients suffering from AIDS or with specimens taken from them. We are taking steps to reduce the risk of the spread of AIDS through blood transfusion and the use of

blood products. We are strengthening our efforts to dissuade those in AIDS high-risk groups from donating blood, and our revised leaflet "AIDS Important New Information for Blood Donors" will be distributed individually to all donors. We are also considering the need to screen blood donations for the HTLV III antibody. Supplies of heat-treated factor VIII for haemophiliacs will shortly be made available to the NHS from the Central Blood Laboratories Authority.

To promote greater awareness of the risks of the disease, the Health Education Council has produced a leaflet "Some facts about AIDS" which will be made widely available to individuals in at-risk groups and the public generally.

Internationally, we are in touch with the Centers for Disease Control in the United States and the World Health Organisation AIDS Reference Centre in Paris, which have considerable data on the disease. Research in this country is proceeding through five projects funded by the Government through the Medical Research Council.

Mr. David Atkinson asked the Secretary of State for Social Services if acquired immune deficiency syndrome is a notifiable disease; and if sufferers are able to discharge themselves from hospital voluntarily.

Mrs. Jill Knight asked the Secretary of State for Social Services if he will take immediate steps to make acquired immune deficiency syndrome a notifiable disease.

Mr. Kenneth Clarke: This disease is not at present notifiable under the Public Health (Control of Disease) Act 1984 but each case is reported to the communicable disease surveillance centre, which monitors incidence in the United Kingdom. Patients with Aids can discharge themselves from hospital voluntarily. Making the disease notifiable would not alter this situation unless a local authority exercised its discretionary powers under the 1984 Act to ask a justice of the peace to make an order detaining a patient in hospital to prevent the spread of the disease. We are however reviewing the public health implications of making the disease notifiable.

Pendlebury Children's Hospital

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will indicate how many representations he has received about proposals to close the cystic fibrosis unit at Pendlebury children's hospital; and if he will make a statement.

Mr. John Patten: We have had representations from five hon. Members and from two patients against closure of a cystic fibrosis unit at the Royal Manchester children's hospital. I understand, however, that the district health authority does not propose to close the facilities for patients suffering from cystic fibrosis, but to alter arrangements within the hospital so as to improve services for them and for other patients. If it decides to go ahead with these changes, they will consult locally in the normal way.

Cystic Fibrosis

Mr. Tony Lloyd asked the Secretary of State for Social Services (1) if he will estimate the number of cystic fibrosis sufferers who have to pay for prescriptions;

(2) if he will estimate the cost of exempting cystic fibrosis sufferers from prescription charges in 1984-85.

Mr. John Patten: I understand the Cystic Fibrosis Research Trust believes there to be around 1,200 sufferers from cystic fibrosis aged 16 and over. All would be liable to pay charges, but a number of these are likely to be exempt from charges on financial or other medical grounds.

The cost of exempting those not currently exempt would be small. However it would be unfair to single out one group for exemption and to accept all the claims we have received would cost more than we can ask the NHS to take on at present.

Mr. Tony Lloyd asked the Secretary of State for Social Services how many specialist units for cystic fibrosis sufferers exist in England and Wales; how many and which of them are within the north-west region; what advantages flow from the operation of these units; and if he will make a statement.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Mr. Tony Lloyd asked the Secretary of State for Social Services (1) if he will publish an estimate of the number of sufferers from cystic fibrosis *(a)* within the north-west region and *(b)* England and Wales;

(2) if he will publish an estimate of the number of sufferers from cystic fibrosis in England and Wales aged over 16 years and over 21 years at the latest available date and in 1974, respectively.

Mr. John Patten: Information is not collected centrally about the number, age distribution or location of sufferers from cystic fibrosis, which occurs about once in every 2,000 live births. However, it has been estimated that in 1984 there were up to 6,000 people suffering from this condition in the United Kingdom.

Cancer Screening Facilities

Mrs. Renée Short asked the Secretary of State for Social Services what resources he intends to make available for the purpose of advancing screening facilities for breast and cervical cancer and spina bifida babies.

Mr. Kenneth Clarke: It is for health authorities to establish priorities for the development of these services within the resources we make available to them for their services as a whole.

Up-dated guidance has recently been issued to them on the priority to be given to particular groups of women within the screening programme for cervical cancer. We are funding a major programme of research to determine the value of breast cancer screening and will consider its future development in the light of the results of the trials which should begin to become available in 1988.

The report of a working group set up under the chairmanship of Sir Douglas Black to advise on screening for neural tube defects including spina bifida was sent to health authorities in 1979. Our Department endorsed the group's general conclusions that rapid progress towards a national screening service might be unwise in view of some remaining uncertainties about the benefits and risks and the costs entailed. We have subsequently funded further research in this field.

Mr. Dobson asked the Secretary of State for Social Services, pursuant to the reply by his right hon. and learned Friend the Minister for Health of 16 January,

Official Report, column *170*, what were the sources of the series of figures for women of all ages screened for cancer; how the figure for 1982 was calculated; and whether the figure for 1983 was an estimate.

Mr. Kenneth Clarke: The figures for women of all ages given in the table to which the hon. Member refers were summarised from returns SBH 140 which are received annually from health authorities. Figures for all the years shown are actual numbers, rounded to the nearest thousand.

Severe Weather Payment

Sir Hector Monro asked the Secretary of State for Social Services if he will list the meteorological data upon which the Chief Adjudicating Officer based his decision to authorise an exceptionally severe weather payment in East Anglia and southern England for the week ended 12 January; if he will give the comparable data for Scotland; and if he will make a statement.

Mr. Whitney: The chief adjudication officer based his advice to local adjudication officers on criteria published in paragraphs 7426-7459 and Appendix 19 of the 'S' manual (a copy of which is in the Library) using temperature data obtained from the Meteorological Office. The data requested by my hon. Friend are set out in the table. The table also includes the trigger points for the areas concerned: these are points at which the chief adjudication officer considers the "exceptionally severe weather" condition in the regulations to be satisfied. Trigger points have been fixed for the areas covered by each of 17 weather stations in Great Britain, following discussions with the Meteorological Office and on the basis of an analysis of the coldest periods over a number of years and other advice.

Weather station	*Degree day total for the week ending 12 January 1985*	*Trigger points*
Two weather stations in England for the areas experiencing exceptionally severe weather		
Bournemouth	123·1	119
Honnington (Suffolk)	132·2	128
Weather stations used for assessing severity of weather in areas of Scotland		
Boulmer	96·0	122
Carlisle	108·8	127
Glasgow	111·3	126
Leuchars	101·0	122
Aberdeen (Dyce)	97·9	129
Wick	95·6	119
Stornoway	82·6	111

Source : Meteorological Office.
Note:
A "degree day" is the daily difference in degrees between a base temperature level at which it is estimated a building requires heating (15·5°C) and the 24-hour mean outside temperature. It is a widely used measure of temperature over time.

Mr. Winnick asked the Secretary of State for Social Services whether the Chief Adjudication Officer has decided on any further authorisation of severe weather fuel payments to those on supplementary benefit.

Mr. Rowe asked the Secretary of State for Social Services whether the Chief Adjudication Officer is advising that the conditions for activating regulation 26 of the Supplementary Benefit Single Payment Regulations, relating to exceptionally severe weather, have been satisfied in any part of Great Britain in the week ended 19 January.

Mr. Whitney: The Chief Adjudication Officer has today decided to advise local adjudication officers that in the week ending 19 January the conditions for award of payments under single payment regulation 26 on the grounds of exceptionally severe weather have been satisfied in 5 weather station areas covering parts of Wales, the midlands and the south of England. The DHSS local office areas concerned are as follows.

The criteria on which the chief adjudication officer bases his advice are published in paragraphs 7426-7459 and Appendix 19 of the S manual (a copy of which is in the Library), and he applies them using temperature data obtained from the Meteorological Office. People eligible for supplementary benefit may therefore be entitled to single payments towards the cost of extra fuel they have had to use because of the cold weather. The normal rules governing entitlement to single payments apply, and any capital over £500 is taken into account in calculating any amount due. We are publicising the help which is available in the areas concerned and leaflets explaining how to claim can be obtained from local social security offices. Decisions on whether individuals are entitled to such payments are a matter for the independent adjudicating authorities.

Weather station—Heathrow
Acton ILO
Aldershot ILO
Ashford ILO
Aylesbury ILO
Balham ILO
Barking ILO
Barnet ILO
Basingstoke ILO
Battersea ILO
Bexley ILO
Bloomsbury AO
Bognor ILO
Bracknell ILO
Brighton ILO
Brixton ILO
Bromley ILO
Camberwell AO
Canning Town ILO
Canterbury AO
Chatham ILO
Chelsea ILO
Chichester ILO
Crawley ILO
Cricklewood ILO
Croydon ILO
Crystal Palace ILO
Dartford ILO
Dover ILO
Ealing ILO
Eastbourne ILO
Edgware ILO
Edmonton ILO
Eltham AO
Epsom ILO
Euston ILO
Finsbury Park ILO
Folkestone ILO
Gravesend ILO
Greenwich Park ILO
Greenwich West AO
Guildford ILO
Hackney ILO
Harlesden ILO
Harrow ILO

Hastings ILO
Hemel Hempstead ILO
Hendon ILO
Hertford ILO
Highgate ILO
High Wycombe ILO
Hounslow ILO
Hove ILO
Hoxton ILO
Ilford ILO
Kennington AO
Kennington Park ILO
Kensington ILO
Kingston ILO
Lewis ILO
Lewisham ILO
Leytonstone ILO
Maidstone ILO
Milton Keynes ILO
Morden AO
Neasden ILO
Newbury ILO
Orpington ILO
Oxford AO
Paddington ILO
Peckham ILO
Plaistow ILO
Poplar ILO
Reading ILO
Redhill ILO
Rochester AO
Romford ILO
St. Albans ILO
Shoreditch AO
Sittingbourne ILO
Slough ILO
Southall ILO
Southwark ILO
Stepney AO
Stoke Newington ILO
Streatham ILO
Surbiton AO
Sutton AO
Thames North AO
Thames South AO
Thanet ILO
Tottenham ILO
Tunbridge Wells ILO
Twickenham ILO
Uxbridge ILO
Walthamstow ILO
Wandsworth ILO
Watford ILO
Westbourne Park AO
Westminster ILO
Wimbledon AO
Woodgrange Park ILO
Wood Green ILO
Woking ILO
Woolwich ILO
Worthing ILO

Weather station—Plymouth
Barnstaple ILO
Devonport ILO
Exeter ILO
Launceston ILO
Penzance ILO
Plymouth ILO
St. Austell ILO
Torbay ILO
Truro ILO

Weather station—Birmingham
Banbury ILO
Birmingham-Bradford St. AO
Birmingham-Edgbaston ILO
Birmingham-Erdington ILO
Birmingham-Handsworth ILO
Birmingham-Ladywood ILO
Birmingham-Northfield ILO
Birmingham-Perry Bar ILO
Birmingham-Ravenshurst ILO
Birmingham-S. Yardley ILO
Birmingham-Sparkhill ILO
Birmingham-Washwood Heath ILO
Burton-on-Trent ILO
Cannock ILO
Corby ILO
Coventry (East) ILO
Coventry (West) ILO
Derby (London Road) ILO
Dudley (North) ILO
Dudley (South) ILO
Hereford ILO
Ilkeston ILO
Kidderminster ILO
Leamington ILO
Leicester (Burleys Way) ILO
Leicester (Lower Hill St.) ILO
Leicester (Norton St.) ILO
Leicester (Yeoman St.) ILO
Lichfield ILO
Loughborough ILO
Newcastle ILO
Northampton AO
Nottingham (Castlegate) ILO
Nottingham (David Lane) ILO
Nottingham (Shakespeare St.) ILO
Nottingham (Station St.) ILO
Nuneaton ILO
Redditch ILO
Rugby ILO
Shrewsbury ILO
Smethwick ILO
Stafford ILO
Stoke-on-Trent (North) ILO
Stoke-on-Trent (South) ILO
Telford ILO
Walsall (East) ILO
Walsall (West) ILO
Wellingborough ILO
West Bromwich ILO
Wolverhampton (North) ILO
Wolverhampton (South) ILO
Worcester ILO

Weather station—Aberporth
Aberystwyth ILO
Ammanford AO
Bridgend ILO
Carmarthen ILO
Dolgellau ILO
Haverfordwest ILO
Llanelli ILO
Morriston ILO
Neath ILO
Newtown ILO
Pembroke Dock ILO
Porthmadoc ILO
Port Talbot ILO
Swansea ILO

Weather station—Bournemouth
Andover ILO
Bournemouth ILO
Fareham ILO
Havant AO
New Forest ILO
Newport (IOW) ILO
Poole ILO
Portsmouth ILO
Salisbury ILO
Southampton ILO
Weymouth ILO
Winchester ILO
Yeovil ILO

Health Authorities (Managers)

Mrs. Renée Short asked the Secretary of State for Social Services if he will list in the *Official Report* the

persons whose appointment to National Health Service general manager posts he has declined to approve, the posts they had applied for and his reasons for his rejection.

Mr. Kenneth Clarke: My advice to health authorities on their appointment of individual candidates to the post of general manager is, and should remain, confidential.

Benefits

Mr. Sheerman asked the Secretary of State for Social Services (1) what is his estimate of the amount of Government expenditure *(a)* on supplementary benefit, *(b)* on housing benefit and *(c)* on child benefit in 1985-86;

(2) what is his estimate of the amount of Government expenditure on unemployment benefit in 1985-86.

Mr. Whitney: The latest estimates of expenditure in 1985-86 are:

	£ million
a. supplementary benefit	6,607
b. housing benefit*	2,889
c. child benefit	4,435
d. unemployment benefit	1,611

* Excluding rate rebates, which are not classified as public expenditure.

West-Midlands RHA (Consultants)

Mr. Terry Davis asked the Secretary of State for Social Services what is the estimated cost of the review by outside consultants of the functions and working of the West Midlands regional health authority.

Mr. Kenneth Clarke: Information on the cost of the review is not yet available. A review of the kind envisaged should offer up opportunities for really worthwhile improvements in the management of health services for the benefit of patients. It need not be costly and costs will be met from within the management budget of the regional health authority.

Pre-school Playgroups Association

Mr. Terry Davis asked the Secretary of State for Social Services when he expects to announce the amount of his Department's grant to the Pre-school Playgroups Association for 1985-86.

Mr. John Patten: The Pre-school Playgroups Association has not yet applied to the Department for grant-aid in 1985-86, though we expect to receive an application fairly soon. Once received, any application would be considered as quickly as possible.

Pharmaceutical Companies (Profits)

Mr. Skeet asked the Secretary of State for Social Services what decision he has reached regarding the maximum rate of return to be permitted to pharmaceutical companies supplying drugs to the National Health Service; what assessment he has made in reaching his decision of the future research and development requirements of those companies; and if he will make a statement.

Mr. Kenneth Clarke: We are still considering the changes to be made within the pharmaceutical price regulation scheme from 1 April.

Drugs (Prices)

Mr. Skeet asked the Secretary of State for Social Services what are the retail prices of valium and diazepam.

Mr. Kenneth Clarke: Valium (diazepam) is available only on prescription. The cost to the National Health Service of the most commonly used strength and pack size is as follows:

Strength	*Pack size*	*Drug*	*Price*
5 mg	1,000 tablets	Valium	£13·62
5 mg	1,000 tablets	Diazepam	£1·50

Surrogate Mothers

Mr. Peter Bruinvels asked the Secretary of State for Social Services, pursuant to his answer to the hon. Member for Leicester, East on 17 January, if he will immediately issue guidelines to all health authorities concerning the handling of cases involving surrogate motherhood; and if he will make a statement.

Mr. Kenneth Clarke: I am aware of my hon. Friend's concern about surrogate motherhood, but I have nothing to add to the answer to which he refers. Unless the expectant mother drew the attention of the hospital to the precise circumstances of her pregnancy, a health authority could have considerable difficulty in distinguishing between surrogate mothers and any other expectant mothers.

Itinerants (Emergency Shelter)

Mr. Tony Banks asked the Secretary of State for Social Services what action he intends to take to provide emergency shelter during the current period of exceptionally severe weather for those sleeping rough in London.

Mr. John Patten: I refer the hon. Member to my reply to my hon. Friend the Member for Ealing, North (Mr. Greenway) on 18 January at column *260*. There are presently vacant beds in five of the eight London resettlement units.

Itinerants (Statistics)

Mr. Tony Banks asked the Secretary of State for Social Services what information he has of the numbers of *(a)* hospital admissions and *(b)* deaths as a result of exposure arising from sleeping rough in London since the beginning of 1985.

Mr. John Patten: I shall let the hon. Member have a reply as soon as possible.

Mr. Tony Banks asked the Secretary of State for Social Services what is his most recent estimate of the number of people sleeping rough in London.

Mr. John Patten: No statistics are collected of the number of people sleeping rough in London. As I explained in my reply on 18 January at column *260* to my hon. Friend the Member for Ealing, North (Mr. Greenway), accommodation for the homeless is mainly a matter for the local authorities who have specific duties under the Housing (Homeless Persons) Act 1977.

EMPLOYMENT

Trade Union Subscriptions

Mr. Nicholas Winterton asked the Secretary of State for Employment what information he has concerning the total annual amount collected under union dues check-off systems in *(a)* the public sector and *(b)* the private sector.

Mr. Peter Bottomley: None.

Unemployment Statistics

Mr. Adley asked the Secretary of State for Employment what information he has as to the percentage change in *(a)* unemployment and *(b)* the number of people in employment as between 1 January 1979 and each subsequent 1 January, or for the most recent figures, the latest available in each of the European Economic Community countries, Japan, Australia, New Zealand, Switzerland, Austria, Spain, Portugal, Norway and Sweden.

Mr. Alan Clark: The available information is given in the following tables.

	*Percentage changes (Seasonally adjusted) since 1979 in Unemployment (National definitions)**							*Total Employment†*						
	1980	*1981*	*1982*	*1983*	*1984*	*Latest available*		*1980*	*1981*	*1982*	*1983*	*1984*	*Latest available‡*	
Belgium‖	+0·5	+20·6	+47·6	+67·1	+75·9	+79·4	(November 1984)	−0·1	−2·2	−3·5	−4·7	na	na	
Denmark‖	−17·9	+31·9	+50·1	+56·4	+62·0	+53·5	(October 1984)	−1·6	−2·9	−2·7	−2·1	na	na	
France†•	+9·4	+23·5	+40·7	+56·8	+65·8	+83·8	(October 1984)	+0·2	−0·1	−1·0	−0·4	−1·6	na	
Germany(FR)†	−13·8	+11·5	+29·7	+127·0	+136·4	+136·0	(December 1984)	+1·5	+1·3	−0·5	−2·7	−3·2	−3·3	(Q2 1984)
Greece‖	+9·1	+36·4	+30·4	+97·0	+106·1	+154·5	(November 1984)	+1·3	+6·2	+5·1	na	na	na	
Ireland‖	−9·0	+25·4	+47·8	+90·4	+120·3	+134·5	(December 1984)	+1·6	+0·5	+0·1	na	na	na	
Italy†§	+4·0	+4·6	+27·1	+34·8	+52·7	+31·7	(July 1984)	+1·4	+3·3	+2·4	+2·0	na	+2·4	(Q4 1983)
Luxembourg•	0·0	+25·1	+61·5	+100·0	+138·5	+115·4	(November 1984)	+1·3	+1·3	+1·3	+1·9	na	na	
Netherlands‖	+3·2	+45·0	+103·6	+160·7	+200·0	+186·0	(November 1984)	+3·1	+3·8	+3·4	+2·3	na	na	
United Kingdom**	−1·7	+60·7	+110·1	+134·6	+136·1	+144·4	(December 1984)	+0·5	−2·9	−4·8	−6·1	−5·1	−4·8	(Q3 1984)
Japan	−10·1	−1·7	+0·4	+32·8	+35·3	+38·7	(October 1984)	+1·0	+2·1	+3·1	+5·0	+5·1	+5·5	(Q2 1984)
Australia††	−1·3	−2·7	+0·2	+57·5	+64·0	+53·0	(November 1984)	+2·6	+5·1	+6·4	+3·6	+5·3	+7·0	(Q2 1984)
New Zealand	+14·5	+90·1	+108·8	+206·4	+263·4	+165·4	(October 1984)	na	na	na	na	na	na	
Switzerland•#	−33·7	−48·8	−32·0	+62·2	+100·6	+92·4	(October 1984)	+1·3	+3·2	+3·4	+1·9	+1·2	+1·2	(Q2 1984)
Austria#	−10·2	+3·4	+54·2	+79·7	+88·1	+123·7	(October 1984)	+2·0	+2·2	+6·3	+4·2	na	+5·0	(Q4 1983)
Spain‡‡	+25·6	+59·6	+82·8	+137·6	+160·7	+183·6	(October 1984)	−2·5	−6·1	−8·1	−9·2	−10·6	−11·3	(Q2 1984)
Portugal•	+0·5	−13·6	−18·8	−21·3	−8·5	−2·3	(August 1984)	na	na	na	na	na	na	
Norway	−25·8	+0·7	+30·0	+126·7	+170·8	+145·7	(September 1984)	+3·1	+5·4	+5·0	+3·9	+7·0	+6·3	(Q2 1984)
Sweden	−20·0	−3·2	+47·4	+44·2	+62·1	+41·1	(November 1984)	+2·0	+2·5	+1·6	−1·9	+2·1	+1·8	(Q2 1984)

* January of each year unless indicated.
† Quarter 1 of each year unless indicated.
‡ If not Q1 1984.
‖ Employment data annual.
¶ Employment data exclude armed forces.
• Employment data relate to preceding Q4.
Quarterly employment data relate to January, April, July and October.
§ Unemployment data not seasonally adjusted.
# Quarterly employment data relate to March, June, September and December.
** From April 1983, the United Kingdom unemployment figures reflect the effects of the provisions in the 1983 Budget for some men aged 60 and over who no longer have to sign on at an unemployment benefit office.
†† Quarterly employment data relate to February, May, August and November.
‡‡ Employment data not seasonally adjusted.
Source: OECD "Main Economic Indicators" and "Quarterly Labour Force Statistics", and SOEC "Employment and Unemployment" June 1984.

Written Answers to Questions

Tuesday 22 January 1985

ATTORNEY-GENERAL

Justices of the Peace (Disabled Persons)

Mr. Frank Field asked the Attorney-General what is the number of registered disabled people who have been appointed justices of the peace; and over what period this number applies.

The Attorney-General: The information sought is not available.

ENVIRONMENT

Royal Parks (Cyclists)

Mr. Skinner asked the Secretary of State for the Environment what further consultations are planned by the Royal Parks Department regarding access to royal parks by cyclists.

Mr. Macfarlane: There are no plans for further consultations, but my Department is always ready to consider suggestions for improvement which are consistent with the needs for other park users.

Housing Statistics

Mr. Pike asked the Secretary of State for the Environment if he will list in the *Official Report* the number of housing units regarded as difficult to let possessed by each housing authority in England; and if he will indicate what percentage these figures represent of the council-owned housing stock in each case.

Sir George Young: Local authorities' 1984 housing investment programme returns included, for 1 April, numbers of the dwellings that they owned within their own areas, which they classed as difficult to let. Numbers reported are not necessarily comparable as authorities' criteria may differ. No dwellings were reported difficult to let by 161 authorities; the figures for the other authorities are as follows:

Local Authorities' Difficult to Let Dwellings
1 April 1984

Local Authority	*Number*	*Per cent. of LA's stock*
North, excluding Cumbria		
Hartlepool	200	1·74
Langbaurgh	950	5·37
Middlesborough	370	2·03
Stockton-on-Tees	1,275	6·67
Chester-le-Street	85	1·12
Durham	334	2·87
Easington	44	0·23
Sedgefield	306	1·91
Teesdale	10	0·75
Wear Valley	522	6·29
Alnwick	136	4·23
Blyth Valley	305	3·01
Wansbeck	591	6·13
Gateshead	2,771	7·55
Newcastle upon Tyne	3,914	8·23
North Tyneside	4,274	14·47
South Tyneside	939	2·99
Sunderland	3,794	8·14
Yorks & Humberside		
Beverley	85	1·53
Great Grimsby	700	8·29
Holderness	51	1·96
Kingston upon Hull	810	1·73
Scunthorpe	350	3·71
Scarborough	650	8·59
York	657	6·05
Barnsley	6,625	20·67
Doncaster	7,545	21·62
Rotherham	2,500	7·09
Sheffield	5,200	5·66
Bradford	1,550	4·15
Calderdale	1,056	6·50
Kirklees	3,000	8·31
Leeds	7,058	7·43
Wakefield	3,053	6·72
East Midlands		
Amber Valley	20	0·26
Bolsover	214	2·46
Chesterfield	384	2·76
Derby	2,489	11·62
Erewash	527	6·02
High Peak	540	8·46
North East Derbyshire	184	1·63
Leicester	3,884	11·21
Melton	20	0·70
Boston	60	1·01
East Lindsey	165	2·69
Lincoln	600	5·65
North Kesteven	158	2·97
South Holland	436	7·63
South Kesteven	24	0·26
West Lindsey	132	2·60
Corby	315	2·95
Kettering	10	0·16
Northampton	395	3·22
South Northamptonshire	6	0·12
Ashfield	890	7·90
Bassetlaw	146	1·43
Broxtowe	266	3·75
Gedling	169	2·80
Mansfield	905	8·52
Newark	180	2·13
Nottingham	2,332	4·37
Eastern		
Chiltern	54	1·00
Milton Keynes	6	0·08
East Cambridgeshire	73	1·43
Fenland	160	2·86
Basildon	450	7·58
Castle Point	7	0·28
Chelmsford	74	0·73
Epping Forest	373	3·72
Harlow	500	2·72
Maldon	64	2·44
Thurrock	400	2·51
Dacorum	416	2·43
Hertsmere	173	2·12
Stevenage	334	2·29
Breckland	142	1·79
Broadland	12	0·30
Norwich	1,728	7·25
South Norfolk	75	1·22

Local Authority	Number	Per cent. of LA's stock
Kings Lynn and West Norfolk	246	2·47
Babergh	56	1·03
Forest Heath	10	0·20
St. Edmundsbury	373	3·97
Suffolk Coastal	56	0·90
Waveney	6	0·09
Greater London		
Greater London Council	10,300	23·41
Barking and Dagenham	3,000	8·90
Barnet	326	1·75
Bexley	36	0·31
Brent	5,000	23·06
Camden	4,750	14·07
Croydon	860	4·17
Ealing	1,000	4·82
Enfield	1,261	6·14
Greenwich	7,000	18·86
Hackney	6,500	14·26
Hammersmith and Fulham	1,819	9·50
Haringey	1,550	6·39
Havering	800	4·64
Hounslow	3,500	17·92
Islington	6,600	16·23
Kensington and Chelsea	502	5·66
Kingston upon Thames	89	1·29
Lambeth	18,000	37·00
Lewisham	7,000	16·59
Newham	396	1·29
Redbridge	590	5·05
Richmond upon Thames	1,100	11·76
Southwark	14,000	22·41
Tower Hamlets	2,500	13·13
Waltham Forest	3,347	16·11
Wandsworth	7,575	20·38
South Eastern		
Reading	202	2·00
Slough	5	0·05
Windsor and Maidenhead	149	1·88
Wokingham	28	0·77
Brighton	460	3·99
Eastbourne	349	6·71
Hove	95	2·08
Rother	177	4·17
New Forest	159	2·12
Portsmouth	606	3·99
Ashford	445	4·97
Canterbury	72	0·97
Dover	600	7·42
Maidstone	284	3·08
Sevenoaks	250	3·19
Swale	600	6·73
Cherwell	150	1·71
Oxford	55	0·63
South Oxfordshire	174	2·17
Vale of the White Horse	15	0·22
Elmbridge	536	8·84
Guildford	80	1·03
Adur	219	5·33
Mid Sussex	137	2·68
Worthing	8	0·24
South West		
Woodspring	300	3·14
East Devon	11	0·18
Plymouth	8	0·04
Christchurch	211	11·59
Cotswold	20	0·37
Forest of Dean	12	0·21
Stroud	85	1·09
Tewkesbury	194	4·47
Sedgemoor	150	2·17
Taunton Dene	623	7·12
North Wiltshire	11	0·14
Salisbury	2	0·02
Thamesdown	607	4·13
West Midlands		
Leominster	57	2·64
Malvern Hills	200	3·52
Redditch	284	7·61
Worcester	630	9·51
Wyre Forest	302	3·78
North Shropshire	264	7·15
Shrewsbury and Atcham	335	4·68
South Shropshire	84	4·28
The Wrekin	300	2·60
Cannock Chase	1,085	12·29
Lichfield	150	2·26
Stafford	300	3·48
Stoke-on-Trent	2,000	6·81
Tamworth	271	3·28
North Warwickshire	40	0·80
Nuneaton and Bedworth	267	2·76
Stratford-on-Avon	30	0·39
Warwick	162	1·98
Birmingham	18,000	14·31
Coventry	4,484	17·36
Dudley	778	2·08
Sandwell	2,167	3·83
Solihull	378	2·20
Walsall	6,400	16·32
Wolverhampton	3,400	8·29
North West, including Cumbria		
Chester	810	9·19
Crewe and Nantwich	215	2·46
Halton	538	5·42
Macclesfield	503	5·69
Warrington	1,236	9·26
Allerdale	352	5·27
Copeland	220	3·25
Blackburn	2,749	19·31
Burnley	1,560	21·05
Chorley	586	13·47
Hyndburn	22	0·47
Lancaster	541	9·65
Pendle	1,132	21·06
Preston	548	4·69
Rossendale	2,800	45·66
West Lancashire	91	2·40
Bolton	2,275	8·66
Bury	210	1·78
Manchester	20,137	24·81
Oldham	2,066	7·76
Rochdale	5,037	22·59
Salford	7,079	16·44
Stockport	1,650	9·78
Tameside	1,174	5·50
Trafford	955	6·66
Wigan	5,329	15·42
Knowsley	2,196	8·16
Liverpool	23,020	35·38
St. Helens	450	2·18
Sefton	2,773	15·03
Wirral	850	3·37

International Garden Festival

Mr. Alton asked the Secretary of State for the Environment how many temporary jobs and how many permanent jobs were created by the international garden festival in Liverpool.

Mr. Patrick Jenkin: In addition to the 200 to 300 people working on the construction of the international garden festival at any one time between autumn 1981 and

spring 1984, around 500 people were directly employed in the operation of the festival itself. Many other jobs, some temporary, others permanent, were created indirectly by the festival elsewhere on Merseyside.

It is too early to say how many permanent jobs will result from the success of the festival.

Audible Intruder Alarms

Mr. Proctor asked the Secretary of State for the Environment if he is satisfied with the operation of the code of practice on noise from audible intruder alarms 1982; and if he will make a statement.

Mr. Waldegrave: Yes. The code of practice, which offers advice on how to avoid or minimise disturbance from the prolonged ringing of burglar alarms, was issued to supplement the provision of part III of the Control of Pollution Act 1974 which enable local authorities and magistrates' courts to control noise nuisance. As a code of practice approved under the Act, it serves to guide local authorities and magistrates' courts in the exercise of their powers, but does not itself have the force of law. I have no reason to believe that the code is unsatisfactory; if my hon. Friend has evidence of difficulty I will of course consider it.

Resource Allocations

Mr. Norman Atkinson asked the Secretary of State for the Environment which Government Departments use his Department's list of programme and partnership authorities for the allocation of resources; in what ways; and if he will provide a breakdown of the additional allocations that have been made to such authorities for the financial years 1982-83, 1983-84 and 1984-85.

Sir George Young: The list is used primarily in the distribution of urban programme resources, to which my Department, the Department of Education and Science, the Department of Health and Social Security and the Department of Transport contribute. The list of districts designated under the Inner Urban Areas Act 1978, including partnership and programme authorities, is also used to give additional weightings to the generalised needs index scores of authorities which determine, in part, their housing investment programme allocations. Allocations to partnership and programme authorities made through the urban programme for the years in question are shown in the table. Because of the local discretionary element in HIP allocations, it is not possible to disaggregate the additional allocations made to partnership and programme authorities as a result of the weighting of their GNI scores.

Urban programme resources allocated to partnership and programme areas

	1982-83 £ million	*1983-84 £ million*	**1984-85 £ million*
Partnerships†			
Birmingham	25·6	24·0	24·5
Docklands‡	17·0	6·4	2·1
Hackney	12·1	12·4	12·0
Islington	9·7	10·5	10·4
Lambeth	10·4	12·6	13·5
Liverpool‡	24·8	23·6	24·1
Manchester/Salford	23·6	25·1	24·5
Newcastle/Gateshead	19·8	19·7	18·0
Programme Authorities†‖			
Blackburn¶	0·78	1·49	3·60
Bolton	2·99	4·56	3·59
Bradford	5·97	5·57	4·58
Brent¶	1·55	1·27	4·50
Coventry●	0·85	1·65	4·30
Hammersmith and Fulham	4·78	5·43	5·63
Kingston upon Hull	3·89	5·03	4·47
Knowsley●	0·37	1·30	3·70
Leeds	4·63	4·72	4·13
Leicester	5·77	5·83	5·43
Middlesbrough	4·98	5·21	4·62
Nottingham	4·98	5·08	4·85
Oldham	4·36	3·96	3·66
Rochdale¶	1·46	1·30	3·60
Sandwell¶	2·81	2·95	4·50
Sheffield	4·86	4·36	4·01
Sunderland	2·95	3·42	3·17
Tower Hamlets■	0·51	1·40	4·50
North Tyneside	3·07	3·42	3·12
South Tyneside	4·82	4·33	3·93
Wandsworth¶	1·10	1·60	4·50
Wirral	4·42	3·52	3·67
Wolverhampton	5·52	5·70	4·84

* Provisional.

† Figures include urban programme expenditure by metropolitan counties and in some cases health authorities in those areas. They do not include urban development grant or derelict land grant.

‡ The figures for London Docklands and Merseyside authorities exclude allocations to the London Docklands and Merseyside Development Corporations; they also exclude other special projects to promote economic regeneration, improve housing and the environment, and develop the tourist potential of Merseyside.

‖ Figures for newly designated authorities and programme authorities which were formerly other designated districts include allocations under the traditional urban programme for 1982-83, but exclude urban programme resources received in those years for continuing projects approved under earlier traditional urban programme circulars.

¶ Former "Other Designated Districts", given programme status on 15 February 1983.

● New designation announced on 15 February 1983.

■ Allocation for projects outside the LDDC area.

Preserved Railways

Mr. Adley asked the Secretary of State for the Environment what account is taken by the Development Commission of the activities and potential of preserved railways in its overall plans; and if he will make a statement.

Mr. Macfarlane: The Development Commission is charged with assisting the social and economic development of rural areas. It has established priorities of helping to increase the number and range of job opportunities and of encouraging the maintenance and where possible, improvement of services, including transport, in rural areas. To the extent that preserved railways do or could help meet these objectives, the commission would be willing to consider whether it can provide assistance to them.

Construction Industry

Mr. Parry asked the Secretary of State for the Environment what steps he is taking to reduce the level of unemployment in the construction industry in England and Wales; and if he will make a statement.

Mr. Gow: I refer the hon. Member to the Government's public expenditure plans for 1985-86 to 1987-88, published today. These offer the best prospects for the industry, through the Government's policies of

tight control of public spending and encouragement of the private sector. These lead to a 4 per cent. growth in real terms in construction industry output in 1984.

Mr. Parry asked the Secretary of State for the Environment what representations he has received concerning the effect of cutbacks in house building and the imposition of value added tax on building alterations on the construction industry; and if he will make a statement.

Mr. Gow: I refer the hon. Gentleman to the speech by my right hon. Friend on 19 December at column 305. The level of overall capital investment in the economy, public and private, was last year at a record level of around £55 billion. This year it is expected to reach another new record level of around £60 billion. The construction industry is sharing in that investment. The maintenance of tight control on public expenditure and measures taken in the 1984 Budget on VAT are part of the Government's overall economic strategy which has led to a 4 per cent. growth in real terms in the construction industry in 1984.

Mr. Parry asked the Secretary of State for the Environment what representations he has received concerning the effect on the construction industry of cutbacks in local government spending; and if he will make a statement.

Mr. Gow: My right hon. Friend the Secretary of State discussed the recent report of the National Economic Development Office on the infrastructure at a meeting of the council on 9 January. A number of representations were made to my right hon. Friend on that occasion. My right hon. Friend and I hope to meet the group of eight next month. Overall capital investment, public and private, was a record of around £55 billion last year, in which the construction industry shared.

Housing Waiting Lists

Mr. Parry asked the Secretary of State for the Environment how many families were on local authority housing waiting lists in England and Wales at the latest available date.

Sir George Young: The Department does not collect information on council housing waiting lists in England. For Wales, the hon. Member is referred to right hon. Friend the Secretary of State for Wales.

Wildlife and Countryside Act 1981

Dr. John Cunningham asked the Secretary of State for the Environment when he intends introducing legislation to strengthen the provisions of sections 28 and 29 of the Wildlife and Countryside Act 1981.

Mr. Patrick Jenkin [*pursuant to his reply*, 20 November 1984, c. *150*]: I understand that proposals for strengthening the provisions of the Act in relation to sites of special scientific interest are to be included in the Wildlife and Countryside (Amendment) Bill introduced by the hon. Member for South Shields (Dr. Clark).

NATIONAL FINANCE

Mortgage Tax Relief

Mr. Chris Smith asked the Chancellor of the Exchequer whether he can provide any figures on the total amount of borrowed funds for which mortgage tax relief is provided on the interest, but which are not devoted to house purchase or improvement.

Mr. Moore: It is a condition of mortgage interest relief that the loan must be used for house purchase or improvement.

EC (Unemployment and Gross Domestic Product)

Mr. Gareth Wardell asked the Chancellor of the Exchequer if he will rank, for the most recent available date, the regions within the European Economic Community by *(a)* total unemployment rate and *(b)* gross domestic product per inhabitant.

Mr. Ian Stewart: Comparable data are not available for individual regions within the European Community, but an approximate ordering of unemployment by country is possible using data provided by the statistical office of the European Community. A ranking for all EC countries other than Luxembourg and Greece for the third quarter 1984 is as follows.

Comparisons of gross domestic product per inhabitant are very sensitive to changes in the exchange rate. A set of estimates designed to overcome this problem is published by the OECD using purchasing power parities. A provisional ranking for 1984 is shown in the following table.

(a) Unemployment Rates (per cent.) Third Quarter 1984

		per cent.
1.	Ireland	16·50
2.	Belgium	15·25
3.	Netherlands	14·75
4.	Italy	12·75
5.	United Kingdom	12
6.	France	10
7.	Denmark	9·50
8.	Germany	8

(b) Real Gross Domestic Product (US=100) per Capita 1984

		per cent.
1.	Denmark	81
2.	Germany	79
3.	Luxembourg	76
4.	France	75
5.	Belgium	74
6.	Netherlands	69
7.	United Kingdom	66
8.	Italy	57
9.	Ireland	45
10.	Greece	38

Notes:

(a) Registered unemployed as a percentage of labour force-national definitions;

Source: Eurostatistics December 1984.

(b) Real gross domestic product using current purchasing power parities;

Source: OECD Economics and Statistics Department Working Paper No. 17, December 1984. Preliminary estimates.

Fringe Benefits

Sir David Price asked the Chancellor of the Exchequer, on the basis of the assumptions made in the autumn statement 1984, what would be the estimated cost of raising the £8,500 year threshold for the assessment of

fringe benefits by directors and higher paid employees to offset the effects of inflation since this threshold was introduced; and what would be the new figure for 1985-86.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Plant and Machinery (Writing Down Allowance)

Mr. Grylls asked the Chancellor of the Exchequer what would be the cost of changing the writing-down allowance on plant and machinery from 25 per cent. on the reducing balance to *(a)* 25 per cent. straight line and *(b)* 20 per cent. straight line.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Personal Allowances

Mr. Silvester asked the Chancellor of the Exchequer what is the current estimate of the gain to the revenue from the abolition of the married personal allowance *(a)* in total and *(b)* to persons below retirement age.

Mr. Moore [*pursuant to his reply*, 21 January 1985, c. *321*]: The estimated yield from reducing the married man's allowance and married age allowance to the levels of the corresponding allowances for single people would be about £4·1 billion in a full year at 1984-85 levels of income. £3·6 billion of this estimate is in respect of taxpayers under 65.

Mr. Silvester asked the Chancellor of the Exchequer what is the current estimate of the gain to the revenue from the abolition of the additional personal allowance *(a)* in total and *(b)* to persons below retirement age.

Mr. Moore [*pursuant to his reply*, 21 January 1985, c. *320*]: The estimated yield from abolishing the additional personal allowance would be about £140 million in a full year at 1984-85 levels of income. Approximately £1 million of this is in respect of taxpayers over 65.

HOME DEPARTMENT

Metropolitan Police (Unmarked Vehicles)

Mr. Evennett asked the Secretary of State for the Home Department what proportion of unmarked operational vehicles used by the Metropolitan police are equipped with *(a)* two-tone horns or sirens and *(b)* detachable blue lights or beacons.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that of the 675 unmarked operational vehicles used by the Metropolitan police, 81 (12 per cent.) are, or will soon be, equipped with both an emergency sound system and a detachable blue beacon. A further 13 have an emergency sound system only.

BBC (Television Licence Fee)

Mr. Gould asked the Secretary of State for the Home Department what proportion of the television licence fee is paid over to the British Broadcasting Corporation; and how the balance is accounted for.

Mr. Giles Shaw: The BBC's home services grant is determined by deducting the expenses of administering the licensing system and investigating complaints of interference to broadcasting from the gross television licence fee revenue. In 1983-84 the total licence fee revenue collected was some £763 million and the grant paid to the BBC £704 million. The major expenses which fell to be deducted from the gross licence revenue in the same year were:

	£ million
Payments to the Post Office for collecting licence fees and enforcing the licensing system	51
Costs incurred in investigating complaints of interference to broadcasting	5·5
Home Office expenses (including cost of anti-evasion publicity campaign)	2·5

TRADE AND INDUSTRY

Private Industry (Investment)

Mr. Stuart Holland asked the Secretary of State for Trade and Industry what has been the contribution of *(a)* self-financing and *(b)* stock market equity finance to the investment requirements of British private industry since 1978.

Mr. Fletcher: It is not possible to relate individual sources of companies' funds to particular uses. Statistics of the sources and uses of United Kingdom industrial and commercial companies' funds are published regularly in "Financial Statistics" table 8.2. On the definitions used in that table, percentage contributions have been as follows:

Percentage of total sources of funds

	Total internal funds	*Issues of ordinary shares for cash*
1978	78	4
1979	75	3
1980	65	3
1981	64	5
1982	63	3
1983	78	5
January-September		
1983	84	6
1984	89	3

Expenditure on fixed assets and on the increase in the book value of stocks in the United Kingdom has accounted for between 57 per cent. and 72 per cent. of total uses of funds in these years. It must be emphasised that different answers could be obtained by classifying certain items differently (for example by treating payments of taxes and dividends as uses of funds instead of deducting them from income as in the table in "Financial Statistics").

Laos

Miss Maynard asked the Secretary of State for Trade and Industry what has been the value of British trade with Laos for each of the last five years; and what is the value of British bilateral and multilateral aid to Laos for each of the years since the end of 1975.

Mr. Channon: The value of British trade with Laos for each of the last five years for which complete yearly figures are available is as follows:

£ million

	United Kingdom exports to	United Kingdom imports from
1979	0·3	0·05
1980	0·7	0·03
1981	0·5	0·1
1982	0·9	0·4
1983	0·6	0·1
1984*	0·5	0·2

* January to October.

The value of British bilateral and multilateral aid to Laos since the end of 1975 is as follows:

£ thousand

	Bilateral	Multilateral
1976	100	*100
1977	45	*100
1978	912	*800
1979	29	*600
1980	13	580
1981	80	620
1982	—	520
1983	1	*600

* Estimated.

Small Businesses

Mr. Foulkes asked the Secretary of State for Trade and Industry if he will publish or place in the Library a list showing all schemes and measures currently available to help small businesses, indicating which have been introduced since June 1979 and how each is specifically accessible to worker, neighbourhood and community co-operatives; and how many of each type of co-operative is benefitting from each scheme or measure.

Mr. Trippier: Information on the Government's main schemes is given in the following Department of Trade and Industry publications: "How to make Your Business Grow"; "Help for growing businesses" and "Small firms mean business", copies of which are in the Library. No distinction is normally made in schemes of assistance between co-operatives and other small businesses; they would qualify as long as they satisfied the relevant criteria. For the same reason no separate records are kept of the benefit which co-operatives receive from specific schemes.

Regional Development Grant and Selective Assistance

Mr. Foulkes asked the Secretary of State for Trade and Industry if he will publish a table showing for each year from 1984-85 to 1991-92 the following information, calculated on the same basis as table 4.1 in Cmnd. 9143-II, for regional development grant and selective assistance to individual industries, firms and undertakings *(a)* the total amounts available, *(b)* the amount likely to be claimed by all projects which will benefit from the transitional arrangements and *(c)* the net amount available under the new scheme to new projects.

Mr. Trippier: Projections other than those published in Cmnd. 9143 are not yet available. The White Paper on public expenditure from 1985-86 to 1987-88 is expected to be published very shortly and will give information up to the year 1987-88. Payments under old RDG in respect of expenditure defrayed before 29 November 1984, or of assets provided before 29 November 1985 should be very small by 1988-89 as claims have to be made within two years of the end of the quarter in which the asset is provided. However payments in respect of assets provided as part of certain projects in receipt of selective assistance whose eligibility for the old scheme of regional development grant has been preserved by the transitional provisions may continue until some time after these projects are completed. Payments under the new RDG scheme are expected to increase over the next few years.

Tobacco Industry

Mr. Weetch asked the Secretary of State for Trade and Industry (1) how much Government financial assistance has been given to the tobacco industry in assisted areas in the form of Government grants or otherwise;

(2) if he will list the firms involved where Government financial help in assisted areas has been given to the tobacco industry;

(3) if he will list the Government financial help that has been given to the cigar trade in assisted areas in the last five financial years.

Mr. Trippier: The following selective assistance has been provided by the Department of Trade and Industry under the Industry Act 1972 and Industrial Development Act 1982 to companies in Great Britain from 1 April 1979 to date.

	Payments by value
Section 7	
1 April 1979 to 30 November 1984	£5·4 million
Firms receiving assistance	
Tabac Leaf Industry Limited	
Carreras Rothmans Limited	
Imperial Tobacco Limited	
J. R. Freeman and Son Limited	
Section 8	
1 April 1979 to 30 November 1984	£113,000
Firms receiving assistance	
W. D. & H. O. Wills Limited	
Senior Service Limited	

The above assistance was all in grant form.

Information on other assistance by this and other Government Departments is only available at disproportionate cost. No figures are available for the cigar trade in isolation.

British Aerospace

Mr. Murphy asked the Secretary of State for Trade and Industry if the Government will provide continuing and increased assistance in promoting British Aerospace overseas in pursuit of orders following the completed privatisation of the company.

Mr. Butcher: There will be no change in the Government assistance available to British Aerospace in relation to overseas sales. British Aerospace will continue to be eligible for the full range of support on the same basis as other United Kingdom companies.

Wine Sales (Code of Practice)

Mr. Mason asked the Secretary of State for Trade and Industry (1) what representations he has received from consumers' organisations concerning the practice by some licensed establishments of selling wine in unlined or unmarked glasses in contravention of the voluntary code of practice agreed between the Government and the licensed trade;

(2) what representations he has received from the local authorities' co-ordinating body on trading standards, concerning the operation of the voluntary code of practice agreed between the Government and the licensed trade on the sale of wine by the glass;

(3) if he will introduce legislation to give statutory effect to provisions of the voluntary code of practice on the sale of wine which require public house licensees to display the price and the precise volume by which wine is sold by the glass.

Mr. Fletcher: Since the introduction of the voluntary code of practice in May 1984 the Department has not received any representations from consumer organisations concerning sales of wine in unmarked glasses.

In October last year the Department received from LACOTS a copy of a survey undertaken by local authorities to ascertain the levels of compliance with the code. This showed that many licensees were unaware of the provisions of the code and that it had not been adopted as widely as had been hoped. However, since the code has been in operation for less than six months, LACOTS decided to conduct a further survey early in 1985. When these results are available we shall be better able to judge the success of the code and decide what further action, if any, is necessary.

Insurance Transactions

Mr. Stuart Holland asked the Secretary of State for Trade and Industry what was the share of total insurance transactions, including life, property and vehicle insurance but excluding Lloyd's, accounted for by the top five insurance companies in the United Kingdom in 1948, 1958, 1968, 1978 and 1983, or the nearest available year in each case.

Mr. Fletcher: In 1980, the share of net premium income (that is to say net of refunds, rebates and premia for re-insurance ceded for United Kingdom business of all United Kingdom-authorised insurance companies) accounted for by the five United Kingdom-authorised companies with the highest such net premium income, was 23·4 per cent.

1980 was the first year when information in a suitably available form to answer the hon. Member's question was prepared (in "Business Monitor MA16, Insurance Business Statistics 1980"). The figures for subsequent years have not yet been published. Information from other sources could only be collected at disproportionate cost.

Accounting Documents (Statutory Audits)

Mr. Grylls asked the Secretary of State for Trade and Industry if he will explain more fully the meaning of the words "professional integrity" in article 23 of the EEC eighth directive of 10 April 1984 on approval of persons responsible for carrying out the statutory audits of accounting documents; and whether these words include professional competence.

Mr. Fletcher: I shall reply to my hon. Friend as soon as possible.

Mr. W. C. Beckett

Mr. Gould asked the Secretary of State for Trade and Industry if the taking up of a senior position with Lloyd's by Mr. W. C. Beckett, the recently retired solicitor in his Department, was approved by the appropriate departmental committee.

Mr. Butcher: Approval for Mr. Beckett to take up the appointment with Lloyd's was given by the Secretary of State for Trade and Industry in conformity with the normal rules governing the acceptance of business appointments by Crown servants. Reference to the Advisory Committee (the Diamond committee) was not required under the rules.

Computer Translation (Esperanto)

Mr. Hoyle asked the Secretary of State for Trade and Industry what action the Government are taking on research into computer translation through the use of Esperanto following the study and reports made by the European Economic Community Commission.

Mr. Butcher: I shall reply to the hon. Member as soon as possible.

South Africa

Mr. Proctor asked the Secretary of State for Trade and Industry what information he has as to the number of major United Kingdom investments which have taken place in, and of major contracts which have been concluded with, South Africa in the past 12 months; and if he will make a statement.

Mr. Channon [*pursuant to the reply*, 18 January 1985; c. *257*]: While there is no requirement for United Kingdom companies to report on major contracts which they have concluded overseas, information on the flows of direct investment (excluding banking and oil) by country of investment, is collected annually in the overseas transactions enquiry conducted under the Statistics of Trade Act 1947 by the Department of Trade and Industry. The Bank of England collects corresponding information for banking and oil. Information for 1984 will be published in the spring of 1986. The most recent information is for 1982 (published in "Business Monitor MA4") when net outward direct investment by United Kingdom companies (other than oil) in South Africa was £228 million.

Independent Space Agency

Mr. Ashton asked the Secretary of State for Trade and Industry if, prior to the European Space Agency Council meeting in Rome on 30 January, he will make a statement on his policy regarding an independent space agency for Britain.

Mr. Butcher [*pursuant to the reply*, 21 January 1985, c. *281*]: I would see it as more appropriate to consider the need for such an agency in the context of our consideration

of the United Kingdom's involvement in the programmes of the European Space Agency over the next 10-15 years and this is a main purpose of the Rome meeting.

PRIME MINISTER

HMS Conqueror

Q36. **Mr. Dalyell** asked the Prime Minister if she will make a statement on the discovery of an unofficial record of the signals received and sent by HMS Conqueror during the Falklands campaign.

The Prime Minister: I assume that the hon. Member is referring to certain turnover notes, though these are not an unofficial signals record. As my right hon. Friend the Secretary of State for Defence told the hon. Gentleman on 14 December, the turnover notes of the radio operator of HMS Conqueror are in the possession of the Ministry of Defence.

Ministerial Cars (Drivers)

Q58. **Dr. Marek** asked the Prime Minister why it is not the practice to give details of the instructions given to drivers of ministerial cars.

The Prime Minister: For reasons of security.

Engagements

Mr. Parry asked the Prime Minister if she will list her official engagements for 22 January.

Mr. Dubs asked the Prime Minister if she will list her official engagements for Tuesday 22 January.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Construction Industry

Mr. Parry asked the Prime Minister how many letters she has received concerning the implications for the construction industry of Government restrictions on local government spending; and if she will make a statement.

The Prime Minister: I have received two letters on this subject from contractors in the construction industry, and three from other individuals. My right hon. Friend the Secretary of State for the Environment maintains close contact with the construction industry, and discussed reports on infrastucture by NEDO, the CBI and the TUC at the last National Economic Development Council meeting on 9 January 1985. He will be meeting the group of eight next month.

Israel

Mr. Peter Bruinvels asked the Prime Minister whether she has any plans to seek to pay an official visit to Israel in 1985.

The Prime Minister: I have at present no plans to do so.

Mr. Peter Bruinvels asked the Prime Minister if the Prime Minister of Israel has been invited to pay an official visit to the United Kingdom; and if she will make a statement.

The Prime Minister: During the visit to Israel last October of my right hon. and learned Friend the Foreign and Commonwealth Secretary, the Israeli Prime Minister accepted an invitation to make an official visit to Britain. No dates have yet been arranged.

Coal Industry Dispute (Inquiry)

Mr. Teddy Taylor asked the Prime Minister if, in view of the recent decision of the European Assembly to initiate an inquiry into police conduct in the United Kingdom during the miners' dispute, she will make a statement outlining the policy of Her Majesty's Government on whether official co-operation will be given to such inquiries; and if Her Majesty's Government will make it their policy not to permit members or officials of the European Assembly to enter the United Kingdom to conduct such inquiries.

The Prime Minister: It is not the policy of the Government to co-operate in inquiries set up the by European Assembly on matters which are outside its competence. No official co-operation will therefore be given to the inquiry into police conduct in the United Kingdom during the miners' dispute. Members and officials of the Assembly seeking to come here in connection with such an inquiry will be treated for immigration purposes in the same way that such members and officials are normally treated.

International Terrorism

Mr. Proctor asked the Prime Minister if she will make a statement on the measures taken against international terrorism by Her Majesty's Government since she addressed the British Jewish community on 21 July 1983 in the areas of closer co-operation between Governments, the sharing of information, plans and techniques by like-minded countries and other relevant matters.

The Prime Minister: In 1984 Her Majesty's Government inspired the agreement among the Ten on measures to improve co-operation against terrorism and the abuse of diplomatic immunity. The Government worked hard to secure the London summit declaration on international terrorism and the resolution adopted by the Ministers of Justice of the Council of Europe. Work continues both multilaterally and in bilateral discussions with individual countries.

Wintex-Cimex '85

Mr. D. E. Thomas asked the Prime Minister if she will list the Government Departments with offices in Wales which will be taking part in Wintex-Cimex '85.

The Prime Minister: The Welsh Office, the Department of the Environment, the Department of Transport and HM Customs and Excise have offices in Wales which will be taking part in Wintex-Cimex '85.

Secretary of State for Scotland

Mr. Maxton asked the Prime Minister if she will dismiss the Secretary of State for Scotland.

The Prime Minister: No.

ENERGY

National Coal Board (Security)

Mr. Parry asked the Secretary of State for Energy whether he collects any information from the National Coal Board about its use of private security contractors; and if he will make a statement.

Mr. David Hunt: My Department does not collect any information of this nature from the National Coal Board.

NCB (Membership)

Mr. Pike asked the Secretary of State for Energy if he has any plans to change the present membership of the National Coal Board.

Mr. David Hunt: No.

Atomic Energy Authority

Mr. Skeet asked the Secretary of State for Energy (1) if he proposes any further changes to the structure of the Atomic Energy Authority following the review of the rôle and activities of the authority in 1984;

(2) what progress has been made in implementing the recommendation of the recent review of the rôle of the Atomic Energy Authority that the authority should operate on a trading fund basis; if he proposes to introduce legislation to amend the Atomic Energy Authority Act 1954 to enable the authority to borrow in the financial markets; and if he will make a statement.

Mr. Goodlad: Good progress has been made in consultations with relevant parties about the recommendations of the AEA review and a statement will be made shortly.

Coal Industry Dispute

Mr. Marlow asked the Secretary of State for Energy what information is available to his Department about the number of National Union of Mineworkers' members who have *(a)* taken full-time employment elsewhere, *(b)* died or become permanently incapacitated, *(c)* reached National Coal Board retirement age and *(d)* applied for redundancy since the dispute began.

Mr. David Hunt: I understand from the National Coal Board that information is not recorded in the form requested. The available information is as follows:

Men taken off colliery books for reasons stated 12 March 1984 to 5 January 1985:

	Number
Redundancy (all voluntarily accepted)	5,751
Retired for health reasons or deceased	873
Early and age retirement	426

The board has received over 20,000 other inquiries about redundancy benefits. The board also tells me that it has no reliable information about the total number of men who have taken full-time employment elsewhere, but that 2,362 men on colliery books (not included in the figures above) are no longer employed by the board for reasons other than those stated above.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands Legislative Council (Constitution)

Mr. Anderson asked the Secretary of State for Foreign and Commonwealth Affairs whether the disclosure by the Civil Commissioner, Sir Rex Hunt, of parts of the new constitution to the Falkland Islands Legislative Council in advance of its publication to the House in March was done with his prior consent.

Mr. Renton: Ministers agreed last December that the latest draft of the constitution should be made available by the Civil Commissioner to councillors for their consideration. It was entirely in accordance with normal practice that councillors should be consulted in this way.

Gas Pipeline Contracts (Libya)

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs if he will take steps through diplomatic sources in Libya to seek to establish the extent of involvement of United Kingdom companies or their subsidiaries in gas pipeline contracts in that country.

Mr. Channon: I have been asked to reply.

Since the break in diplomatic relations with Libya on 29 April 1984, the Italian Government have been responsible for the protection of British interests in Libya. Two junior diplomats are attached to the Italian embassy in Tripoli to help with consular and administrative affairs, but not commercial matters. Therefore I am unable to take the steps suggested.

EDUCATION AND SCIENCE

Free Transport

15. **Mr. Knox** asked the Secretary of State for Education and Science whether he has any plans to change the rules concerning free transport to schools.

Mr. Dunn: There are no plans at present to amend the provisions on school transport in the Education Act 1944. We shall continue to watch the situation.

Young Persons (Study)

16. **Mr. Randall** asked the Secretary of State for Education and Science what is his latest estimate of young people studying under the 21 and 15 hour rules.

Sir Keith Joseph: Records are not kept centrally but there are indications that the number has increased since the Youthaid organisation estimated a figure of about 10,000 in 1982/83.

Further Education (Lecturers)

17. **Mr. Fatchett** asked the Secretary of State for Education and Science when he next expects to discuss pay and conditions with the unions representing lecturers in further education; and if he will make a statement.

Sir Keith Joseph: I have discussions with the main unions representing teachers from time to time. However, since the pay of further education lecturers is a matter for the Burnham further education committee, and conditions of service for the national joint council for teachers in

further education, these are not normally on the agenda for such discussions. I have no immediate plans for a meeting with the associations representing further education teachers.

Student Unions

18. **Mr. Michael Forsyth** asked the Secretary of State for Education and Science what recent representations he has had concerning compulsory membership of student unions.

Mr. Brooke: Eight representations have been received since January 1984, in most cases from right hon. and hon. Members referring to correspondence they had themselves received.

31. **Mr. Chope** asked the Secretary of State for Education and Science if he will take steps to calculate the total amount of public funds spent on the financing of university and college student unions.

Mr. Brooke: The information is not available. Its collation would involve making inquiries of a large number of institutions and my right hon. Friend does not believe this to be justified. The best information available is that in the academic year 1982-83, United Kingdom universities and polytechnics in England and Wales allocated some £21·4 million to their student unions.

Open University

21. **Mr. Terry Lewis** asked the Secretary of State for Education and Science what recent discussions he has had with the Open University about its level of funding for the next three years.

Mr. Brooke: On 3 December 1984 my right hon. Friend met representatives of the Open University's Council, including the chairman of the council and the vice-chancellor of the university.

Grammar Schools

23. **Mr. Tony Lloyd** asked the Secretary of State for Education and Science if he will list those local authorities who retain selection at 11-plus and indicate the percentage of children in each authority who go to grammar schools and, when the grammar schools are single sex, the percentage of boys or girls admitted.

Mr. Dunn: The information requested is given in the following table:

LEAs with Grammar Schools in January 1984

LEA	A	B	C	D	E	F	G	H	I	J	K	L	M	N
		Pupils in secondary schools						*Single sex grammar schools*						
	*Number of secondary schools**	*Number of boys*	*Number of girls*	*Boys and girls*	*Number of grammar schools*	*Number of pupils in grammar schools*	*Percentage of pupils in grammar schools*	*Number of schools*	*Number in boys schools*	*Number in girls schools*	*Number in boys and girls schools*	*Percentage of all secondary boys in boys grammar schools*	*Percentage of all secondary girls in girls grammar schools*	*Percentage of all secondary pupils in single sex grammar schools*
Barnet	26	9,812	9,704	19,516	2	1,213	6·2	2	0	1,213	1,213	0	12·5	6·2
Bexley	19	8,974	8,780	17,754	2	2,001	11·3	0	0	0	0	0	0	0
Bromley	23	10,256	9,992	20,248	2	1,257	6·2	2	584	673	1,257	5·7	6·7	6·2
Enfield	20	10,204	9,775	19,979	1	1,220	6·1	0	0	0	0	0	0	0
Kingston upon Thames	11	4,477	4,340	8,817	2	1,561	17·7	2	842	719	1,561	18·8	16·6	17·7
Redbridge	16	7,856	7,456	15,312	2	1,352	8·8	2	772	580	1,352	9·8	7·8	8·8
Sutton	16	6,228	6,008	12,236	4	2,897	23·7	4	1,255	1,642	2,897	20·2	27·3	23·7
Birmingham	98	42,182	39,559	81,741	8	5,542	6·8	8	3,420	2,122	5,542	8·1	5·4	6·8
Walsall	24	13,253	12,672	25,925	2	1,234	4·8	2	640	594	1,234	4·8	4·7	4·8
Wolverhampton	22	10,953	10,797	21,750	1	584	2·7	1	0	584	584	0	5·4	2·7
Liverpool	46	20,351	20,106	40,457	2	847	2·1	2	522	325	847	2·6	1·6	2·1
Wirral	26	13,465	13,150	26,615	4	4,409	16·6	4	2,169	2,240	4,409	16·1	17·0	16·6
Trafford	25	7,744	7,899	15,643	8	5,597	35·8	8	2,498	3,099	5,597	32·3	39·2	35·8
Calderdale	23	8,416	7,966	16,382	7	3,833	23·4	5	1,097	1,099	2,196	13·0	13·8	13·4
Kirklees	40	16,866	16,756	33,622	1	618	1·8	0	0	0	0	0	0	0
Avon	62	33,756	33,094	66,850	2	1,551	2·3	0	0	0	0	0	0	0
Berkshire	65	26,857	26,095	52,952	6	3,811	7·2	3	621	1,201	1,822	2·3	4·6	3·4
Buckinghamshire	51	19,574	18,889	38,463	14	11,919	31·0	10	4,571	4,314	8,885	23·4	22·8	23·1
Cumbria	51	19,572	19,530	39,102	1	356	0·9	0	0	0	0	0	0	0
Devon	85	33,636	32,468	66,104	10	3,651	8·6	7	1,689	2,025	3,714	5·0	6·2	5·6
Dorset	63	22,993	22,243	45,236	7	4,867	10·8	6	1,906	1,788	3,694	8·3	8·0	8·2
Essex	117	60,774	58,585	119,359	8	5,894	4·9	8	2,983	2,911	5,894	4·9	5·0	4·9
Gloucestershire	52	19,606	19,582	39,188	11	6,914	17·6	9	2,669	3,188	5,857	13·6	16·3	15·0
Hereford and Worcester	82	28,516	28,126	56,642	1	784	1·4	1	0	784	784	0	2·8	1·4
Kent	154	61,269	59,452	120,721	28	19,621	16·3	24	7,328	9,048	16,376	12·0	15·2	13·6
Lancashire	120	53,777	53,190	106,967	5	3,237	3·0	4	1,287	1,129	2,416	2·4	2·1	2·3
Lincolnshire	70	21,150	20,590	41,740	15	8,370	20·1	8	2,393	2,598	4,991	11·3	12·6	12·0
Norfolk	59	24,271	23,216	47,487	3	1,340	2·8	2	188	180	368	0·8	0·8	0·8
North Yorkshire	69	26,417	26,132	52,549	7	4,252	8·1	6	1,770	1,837	3,607	6·7	7·0	6·9
Shropshire	44	16,971	16,362	33,333	2	619	1·9	2	383	236	619	2·3	1·4	1·9
Warwickshire	43	16,377	16,305	32,682	5	2,374	7·3	4	934	997	1,931	3·7	6·1	5·9
Wiltshire	43	20,809	20,232	41,041	2	1,462	3·6	2	717	745	1,462	3·4	3·7	3·6
England	4,444	1,845,951	1,799,635	3,645,586	175	117,187	3·2	138	43,238	47,871	91,109	2·3	2·7	2·5

* Including middle deemed secondary schools*.

Scottish Universities (Student Numbers)

24. **Mr. Maxton** asked the Secretary of State for Education and Science when he last met the principals of Scottish universities to discuss student numbers.

Mr. Brooke: My right hon. Friend last met the Scottish university principals on 15 January 1982 informally at their invitation to discuss relevant higher education issues. I attended a similar occasion in February last year.

Educational Maintenance Allowance

25. **Mrs Clwyd** asked the Secretary of State for Education and Science if he will introduce educational maintenance allowances for 16 and 17-year-olds.

Sir Keith Joseph: Local education authorities already have powers to pay education maintenance allowances at their discretion. I have no plans at present to change the arrangements.

Truancy

20. **Mr. James Lamond** asked the Secretary of State for Education and Science how many pupils were absent from school on other than legitimate ground on the last convenient date for which information was available in England and Wales.

Mr. Dunn: There has been no recent survey of truancy rates but research and local surveys suggest that on any school day between 2 and 4 per cent. of secondary pupils in England are likely to be absent from school without good reason. Information for Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

Youth Training Scheme

19. **Mr. Lofthouse** asked the Secretary of State for Education and Science when he will next meet the chairman of the Manpower Services Commission to discuss the youth training scheme.

Sir Keith Joseph: I have no immediate plan to do so.

33. **Mr. Sheerman** asked the Secretary of State for Education and Science when he will next meet the Confederation of British Industry and Trades Union Congress to discuss the youth training scheme.

Sir Keith Joseph: I have no immediate plans to do so but I am always ready to hear their views on the role of the education system in the YTS and on education and training generally.

Teachers (Pay)

26. **Sir William van Straubenzee** asked the Secretary of State for Education and Science what proposals he has for restarting the salary structure talks in relation to the teaching profession.

Sir Keith Joseph: The salary structure talks took place under the auspices of the Burnham primary and secondary committee and they can resume only with the agreement of a majority on both sides of the committee. There seems little prospect of such agreement in the immediate future, and I am therefore considering what other possibilities are open to me to pursue my objectives for better teacher management and quality.

Education Act 1981

22. **Mr. Campbell-Savours** asked the Secretary of State for Education and Science what discussions he has had with local education authorities about the number of children who have been the subject of a statement under the Education Act 1981 and for whom there are not suitable places in schools or special schools to implement the statement.

Mr. Dunn: None. Although there may be difficulties or delays in finding suitable places for individual children, there does not seem to be any general problem which would justify intervention by my right hon. Friend. If a child is awaiting a vacancy, the local education authority will normally make temporary arrangements, including home tuition if appropriate.

Heriot Watt University (Pharmacy Department)

27. **Mr. Kirkwood** asked the Secretary of State for Education and Science if he will make a statement on the results of recent consultations between his Department and Heriot Watt university regarding the proposal to close the pharmacy department at Heriot Watt.

Mr. Brooke: My right hon. Friend understands that the University Grants Committee has given careful consideration to the points put forward by the university and the Pharmaceutical Society of Great Britain at a meeting held last month, but has concluded that no new arguments were put forward that would justify their altering their previous decision.

Privatisation

28. **Mr. Thurnham** asked the Secretary of State for Education and Science what are the current estimated savings by his Department for 1984-85 as a result of privatisation schemes.

Sir Keith Joseph: The Department is not involved in privatisation schemes in the sense of transferring the whole of a central Government undertaking to the private sector. It does however contract out the provision of its own common services where this in the interests of efficient management, but it is not possible to estimate the total savings accruing.

Corporal Punishment

29. **Ms. Clare Short** asked the Secretary of State for Education and Science when the Government intend to publish their Bill relating to corporal punishment in schools.

Sir Keith Joseph: The Bill received its First Reading on 11 January 1985 and was published on that day.

Alpha Research Projects

30. **Mr. Dalyell** asked the Secretary of State for Education and Science if he will make a statement giving conveniently approximate figures as to how many alpha research projects were rejected in 1984 by *(a)* the Science and Engineering Research Council and *(b)* the Medical Research Council.

Mr. Brooke: The number of applications graded alpha but rejected by SERC's boards in the academic year 1983-84 was:

	number
Science	324
Engineering (less Biotechnology Directorate)	129
Astronomy, Space and Radio	44
TOTAL	497

The Nuclear Physics Board and the Biotechnology Directorate of the Engineering Board do not grade applications as the majority of their grants expenditure supports rolling programmes of which grants form integral parts. Numbers of rejections considered to be of alpha quality therefore cannot be given in respect of these parts of SERC.

I refer the hon. Member to the reply I gave to the hon. Member for Oldham, West (Mr. Meacher) on 14 November 1984 at column *238* about MRC projects.

LEA (Finances)

32. **Mr. Spearing** asked the Secretary of State for Education and Science when he next expects to meet the leader of the Inner London education authority to discuss the finances of that authority.

Sir Keith Joseph: I have no present plans to meet Mrs. Morrell. I am always willing to do so should she request it.

Further Education

34. **Mr. Boyes** asked the Secretary of State for Education and Science how many pupils remained in schools or other full-time education beyond the school leaving age in September 1984; and what was the age participation rate for 16 and 17-year-olds remaining in full-time education in September 1984.

Sir Keith Joseph: It is estimated that there were 390 thousand pupils above the minimum school leaving age in maintained and independent schools (but excluding special schools) in England at September 1984. As proportions of the appropriate age groups it is estimated that 30·8 per cent. of 16-year-olds and 18·3 per cent. of 17-year-olds were in maintained and independent schools at that date. Information about the numbers of young people in full time further education other than school is not yet available.

Teaching Profession (Restructuring)

35. **Mr. Flannery** asked the Secretary of State for Education and Science if he has received any representations from the teachers' unions regarding the restructuring of the teaching profession.

Sir Keith Joseph: I refer the hon. Member to the answer I gave earlier today to my hon. Friend the Member for Bedfordshire, South-West (Mr. Madel).

Further Education (Low-income Families)

36. **Mr. O'Brien** asked the Secretary of State for Education and Science what plans he has to encourage the children of people on low incomes to continue education beyond 16 years of age.

Sir Keith Joseph: The first requirement, which is relevant for all young people, is that the curriculum provided by schools and colleges is relevant to their needs and the needs of employers: the Government have taken a number of important initiatives in this area. As for financial support, the Government are considering the recommendations of the team which has been reviewing social security benefits for children and young people. Child benefit is paid to the parents of children who remain in full-time education up to the age of 19, and local education authorities have discretionary powers to pay education maintenance allowances and other grants.

Pupil-Teacher Ratio

37. **Mr. Chapman** asked the Secretary of State for Education and Science what information he has on trends in pupil-teacher ratios in primary and secondary schools in England, respectively, since January 1984.

Mr. Dunn: Pupil-teacher ratios in maintained primary and secondary schools in England in January 1984 were 22·1 and 16·2 respectively. Corresponding figures for January 1985 are not yet available

Student Loans

38. **Mr. Tom Cox** asked the Secretary of State for Education and Science if he will publish the findings of the departmental review of the case for and against student loans carried out by his Department during the last two years.

Mr. Brooke: I refer the hon. Member to my answer given earlier today to the hon. Member for Denton and Reddish (Mr. Bennett).

Comprehensive Schools

39. **Mr. David Atkinson** asked the Secretary of State for Education and Science if he is satisfied with the educational achievement of comprehensive schools.

Mr. Dunn: The objective of Government policy is to raise the standards of achievement by pupils in all types of school.

16 to 18-year-olds

Mr. Forman asked the Secretary of State for Education and Science what proportion of 16 to 18-year-olds in the United Kingdom are in education or training; and what are the comparable figures for France, West Germany and Japan.

Sir Keith Joseph: The information requested is as follows:

Participation in education and training (full-time and part-time) of 16 to 18-year-olds*

	Year	*Minimum leaving age*	*Percentage of 16 to 18 year olds in education and training*
France	1981	16	66
Japan†	1981	15	73
West Germany‡	1981	15	85
United Kingdom (including YTS)	1983	16	65

* Including apprenticeships, YTS and similar schemes.
† Estimated; excluding some 18-year-olds in certain vocational training.

‡ Including 3 years compulsory part-time education for 15 year old leavers.

‖ Including some double counting due to evening classes (under 5 per cent.) but excluding private sector full-time further education. Includes employer-based part-time day study outside of FE colleges.

Teachers (Training)

Mr. Cartwright asked the Secretary of State for Education and Science what representations he has received about the case for expanding teacher training from 1986 onwards; and what response he has made.

Mr. Dunn: The advisory committee on the supply and education of teachers have recently submitted advice on future intakes to initial teacher training which recommends increases of some 49 per cent. and 9 per cent. in admissions to initial training courses for primary teachers and secondary teachers respectively in the period between 1986 and 1989. This advice is currently under consideration by my right hon. Friend, with his right hon. Friend the Secretary of State for Wales. Decisions on the level of intakes to initial teacher training for 1986 and beyond will be announced as soon as possible.

Mr. Cartwright asked the Secretary of State for Education and Science what estimate he has made of the output of teacher training institutions between 1986 and 1990 as compared with the anticipated needs of *(a)* primary and *(b)* secondary schools.

Mr. Dunn: If intakes to initial teacher training in England and Wales were to continue at the level planned for 1985, it is forecast that the effective output of newly-trained primary teachers in 1986 and 1990 would be some 5,200 and 6,100 respectively. The corresponding estimates for secondary teachers are 7,000 and 6,800 respectively. Estimates of the future staffing needs of schools depend on a number of factors, including forecasts of pupil numbers, the ratio of pupils to teachers and assumptions made about the deployment of the teacher force. Recent advice from the advisory committee on the supply and education of teachers suggests that the demand for new entrant primary teachers will be higher than the forecast output for the coming years if staffing is to be provided at a level which the committee judges necessary for the effective support of the Government's education policies. The demand for new entrant secondary teachers is estimated by the committee at below the forecast output for 1986 but at about the same level for 1990. My right hon. Friend, with his right hon. Friend the Secretary of State for Wales, will take this advice into account in determining the level of intakes to initial teacher training for 1986 and beyond.

"Action on Education"

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he has now read the report "Action on Education" by the British Institute of Management, a copy of which has been sent to him; and what is his response.

Mr. Dunn: Copies of the report have been sent to Ministers by the British Institute of Management; representatives of the Institute are to discuss it with senior officials of the Department shortly.

"Parental Influence at School"

Mr. Alton asked the Secretary of State for Education and Science how many representations he has received regarding the Green Paper "Parental Influence at School", Cmnd. 9242; if he will give a breakdown of this figure; and if he will indicate how many urged student representation on school governing bodies.

Mr. Dunn: Responses to the Green Paper have been received from 730 individuals and organisations, as follows:

	Responses
Main national bodies	30
Main religious and voluntary bodies	29
LEAs and groups of LEAs	77
Governing bodies and groups of governors	221
Parent/teacher associations and parent groups	51
School teaching staffs and teacher/union groups	41
Individuals and other groups	281
Total	730

The Green Paper did not propose that there should be pupil governors and very few respondents suggested this.

Student Grants

Mr. Parry asked the Secretary of State for Education and Science what recent representations he has received concerning student grants.

Mr. Brooke: I refer the hon. Member to the answer I gave on 18 January 1985 to the hon. Member for Falkirk, West (Mr. Canavan) at column *240*.

Council for Overseas Student Affairs

Mr. McQuarrie asked the Secretary of State for Education and Science what plans he has to assist the United Kingdom Council for Overseas Student Affairs.

Mr. Brooke: The United Kingdom council for overseas student affairs provides advice and information to overseas students in this country and to the institutions of further and higher education they attend, and promotes the study of questions affecting the education of overseas students. In recognition of the benefits of the council's work to overseas students and to further and higher education, and in response to an approach from the council, my right hon. Friend has decided, subject to parliamentary approval and to the availability of resources, to make the council an annual grant to provide a regular source of Government support instead of the intermittent and ad hoc grants that have previously been offered. The council will nevertheless continue to have to rely for the major part of its funding on its members and on the generosity of private and corporate donors, as is appropriate for a voluntary organisation of this nature.

Subject to parliamentary approval of the Estimates in due course, my right hon. Friend proposes that the grant to the council for 1985-86 should be £72,000.

Education Expenditure

Mr. Andrew MacKay asked the Secretary of State for Education and Science what change he expects in real terms in expenditure on education and science between 1984-85 and 1985-86; how this compares with changes in

the school population; and how both real terms expenditure and pupil numbers have moved between 1979-80 and 1984-85.

Sir Keith Joseph: Table 1.7 of the public expenditure White Paper, Cmnd. 9428, published today, shows in real terms as measured by the GDP deflator, a reduction in expenditure on education and science of around 5 per cent. between 1984-85 and 1985-86. This reduction makes no allowance for the abolition of the NI surcharge for local authorities from April 1985, and the transfer of some funds to the MSC in 1985-86. In addition, the figure for 1985-86 includes no part of the £595 million for local authority current expenditure not allocated to programmes, some of which, as in 1984-85, will no doubt be spent on education. When allowance is made for these factors, it is likely that the reduction will be below 4·5 per cent. The school population is projected to fall by nearly 2 per cent. between this year and next. Between 1979-80 and 1984-85, expenditure on education and science increased by about 1 per cent. in real terms, compared with a fall of over 12 per cent. in the school population.

EMPLOYMENT

Youth Training Schemes (Waltham Forest)

Mr. Cohen asked the Secretary of State for Employment if he will list all the individual managing agents and sponsors who run youth training schemes in Waltham Forest; and how many trainees they each have under their control.

Mr. Peter Morrison: The names of managing agents and sponsors operating in the London borough of Waltham Forest, including those organised on a national basis, and details of numbers of youngsters in training at 17 January 1985 are as follows:

Number of Trainees (includes both 1983-84 and 1984-85 entrants)

	Number
1. Locally negotiated schemes	
Waltham Forest Chamber of Commerce	199
London Borough of Waltham Forest Community Education Department	
— Mode A Scheme	113
— Chestnut Training Workshop	28
— The Waltham Project	45

2. Schemes negotiated at national level by the Manpower Services Commission's large companies unit	*Number of Trainees (includes both 1983-84 and 1984-85 entrants)*
Abbey National Building Society	2
Association of British Travel Agents	1
Barclays Bank plc	—
Bass Charrington and Company	—
BAT (International)	—
British Electric Traction	—
Builders Merchants Federation	—
Clothing and Allied Products Industry Training Board	7
Construction Industry Training Board	13
Cordon Bleu Freezer Foods	—
Cosma Holdings Ltd	—
Footballers Further Education and Vocational Training Society	7
Foster Brothers Clothing Company Ltd	—
Guinness Retail Holdings	—
Halifax Building Society	—
Imperial Retail Shops Ltd	—
Kwik-Fit Euro Ltd	—
Lloyds Bank plc	—
Marks and Spencer plc	2
Midland Bank plc	1
Mothercare Ltd	—
National Westminster Bank plc	—
Office Machines and Equipment Federation	—
Plastics Processing Industry Training Board	1
J Sainsbury plc	—
Stylo-Barratt Shoes Ltd	—
Thorn EMI (Engineering)	—
Thorn EMI (Retail)	2
Thorn EMI (TV Rental)	1

Note: These nationally negotiated schemes all have one or more places available in Waltham Forest, although in some cases — as shown above—no youngsters are currently in training.

Construction Industry

Mr. Wainwright asked the Secretary of State for Employment how many workers were employed in the construction industry in *(a)* west Yorkshire, *(b)* the Huddersfield travel-to-work area and *(c)* Yorkshire and Humberside in 1979 and for the latest date available.

Mr. Alan Clark: No census of employment was taken in 1979. Following is the information at June 1978 and September 1981, the latest date for which information is available. As results of the 1978 census are not available for the new travel-to-work areas announced last year, information is given for the Huddersfield travel-to-work area as defined before last year's review.

Employees in Employment: Construction Industry	*June 1978*	*September 1981*
West Yorkshire	42,257	39,056
Huddersfield travel-to-work area	3,264	2,884
Yorkshire and Humberside	111,073	99,466

Mr. Parry asked the Secretary of State for Employment how many workers were employed in the construction industry in *(a)* the Liverpool travel-to-work area and *(b)* the Merseyside special development area in June 1979 and at the latest available date, respectively.

Mr. Alan Clark: No census of employment was taken in 1979. The June 1978 census shows 19,339 employees in employment in the construction industry in the Liverpool travel-to-work area, as defined before last year's review of travel-to-work areas, and 34,092 in the Merseyside special development area. At September 1981, the latest date for which information is available, the corresponding figures were 17,497 and 31,019 respectively. Results of the 1978 census are not available for the revised Liverpool travel-to-work area announced last year.

Mr. Parry asked the Secretary of State for Employment how many workers were employed in the construction industry in England and Wales in June 1979; and what were the figures at the latest available date.

Mr. Alan Clark: The estimated numbers of employees in employment in the construction industry in England and Wales in June 1979 and September 1984, the latest available date, were as follows:

	England	Wales
June 1979	997,000	61,800
September 1984	818,000	46,900

Job Creation

Mr. Hannam asked the Secretary of State for Employment if he will give the figures for *(a)* the number of new jobs created and *(b)* the number of school leavers entering the job market for each of the last 10 years.

Mr. Alan Clark: Estimates of the number of new jobs created, which can be defined in differing ways, are not available. Estimated numbers of school leavers in Great Britain available for employment in the years requested are shown in the following table.

Academic year ending 31 August	*Estimated numbers of school-leavers available for employment* (thousands)*
1975	630
1976	640
1977	670
1978	690
1979	690
1980	680
1981	630
1982	630
1983	650
1984†	630

* All leavers less those expected to enter either full-time further education or temporary employment pending entry to full-time further education.
† Estimate subject to revision.

National Service Act 1948

Mr. Waller asked the Secretary of State for Employment, for each of the last 10 years, how many cases have been determined by reinstatement committees established under the provisions of the National Service Act 1948.

Mr. Peter Bottomley: None. The last of these committees ceased to exist at the end of 1976. There has subsequently been no need to reconstitute them.

OVERSEAS DEVELOPMENT

Ethiopia (Famine Relief)

Mr. Latham asked the Secretary of State for Foreign and Commonwealth Affairs what information he has obtained from Her Majesty's ambassadors in the following countries or from the United Nations Organisation, about the monetary value or extent of emergency famine relief given to Ethiopia by *(a)* Saudi Arabia, *(b)* Kuwait, *(c)* the United Arab Emirates, *(d)* Syria, *(e)* Libya, *(f)* Iraq and *(g)* Iran.

Mr. Raison: Most of these countries have given help to several African countries in need, but it has not been possible to obtain a detailed breakdown showing famine relief given specifically to Ethiopia.

SCOTLAND

School Leavers

Mr. Sheerman asked the Secretary of State for Scotland if he will publish for each Manpower Services Commission area office in the Scottish region and for *(a)* 16-year-olds, *(b)* 17-year-olds and *(c)* 18-year-olds, the latest careers service estimates of the number and proportion expected to leave school and further education college, and the number and proportion expected to find work outside the youth training scheme by 31 December.

Mr. Allan Stewart: The information requested on school leavers is as follows. It is derived from provisional forecasts of the position in December 1985 made by principal careers officers in the autumn of 1984 and must therefore be regarded as tentative. Principal careers officers have been asked to provide revised forecasts later this month in the light of the better information which is now available to them. There is insufficient information on which to base estimates of leavers from colleges of further education in each area.

Forecast of destination of 1984-85 school leavers by December 1985: Numbers and percentages‡*

	16-year-olds‖				*17-year-olds‖*				*18-year-olds‖*			
	Leaving school and entering labour market†		*Employed outside YTS*		*Leaving school and entering labour market†*		*Employed outside YTS*		*Leaving school and entering labour market†*		*Employed outside YTS*	
	thousands	*per cent.*	*thousands*	*per cent.*	*thousands*	*per cent.*	*thousands*	*per cent.*	*thousands*	*per cent.*	*thousands*	*per cent.*
Highlands and Islands	2·4	44	1·2	22	0·5	36	0·4	25	0·2	31	0·2	27
Grampian and Tayside	6·3	39	3·8	24	1·3	33	0·9	25	0·3	25	0·3	20
Central and Fife	5·4	42	1·2	10	1·3	43	0·4	13	0·4	39	0·2	15
Lothian and Borders	6·2	42	2·0	14	1·3	38	0·6	17	0·5	35	0·3	21
Renfrew, Dumbarton and Argyll	5·9	39	1·3	8	2·0	49	0·6	16	0·8	56	0·3	23
Glasgow City	7·0	57	2·4	20	1·5	50	0·7	25	0·4	35	0·3	25
Lanarkshire	5·1	45	1·0	9	1·2	43	0·3	12	0·4	43	0·1	15
Ayrshire, Dumfries and Galloway	4·6	43	1·4	13	0·9	34	0·4	17	0·3	30	0·2	21

* Figures relate only to school leavers from education authority schools.
† Excludes those entering further and higher education.
‡ Percentages are based on the totals eligible to leave school.
‖ Ages are at 31 August 1985.

Home Insulation Grants

Mr. Hannam asked the Secretary of State for Scotland what increase has been made in the provision for home insulation grants in Scotland contained in the total local authority housing capital allocations for 1985-86, to take account of the first full year of the operation of the topping-up grants for loft insulation under the homes insulation grant scheme.

Mr. Ancram: The allocation of resources for homes insulation grants is made separately from local authority housing capital allocations. The allocation has not yet been made for 1985-86, but £0·7 million has been included in the total amount available for distribution to local authorities in order to meet additional demands for grant for topping-up existing loft insulation.

Housing Waiting Lists

Mr. Parry asked the Secretary of State for Scotland how many families were on waiting lists for public housing in Scotland at the latest available date.

Mr. Ancram: As I explained to the hon. Member for Maryhill in my reply of 12 March 1984, authoritative information of the kind requested is not available centrally.

Construction Industry

Mr. Parry asked the Secretary of State for Scotland what measures he proposes to reduce unemployment in the construction industry; and if he will make a statement.

Mr. Ancram: The key to producing worthwhile long-term increases in the level of employment in the construction industry is the continuation of the Government's efforts to achieve a healthy and stable economy by controlling public expenditure and public borrowing, thereby maintaining a low rate of inflation, improving the climate for investment and stimulating industrial recovery.

Mr. Parry asked the Secretary of State for Scotland how many workers were unemployed in the construction industry in Scotland in June 1979 and at the latest available date, respectively.

Mr. Allan Stewart: The information requested is not available for June 1979 as the industrial analysis of the unemployed was compiled quarterly in February, May, August and November. This analysis was discontinued in May 1982.

The number of unemployed registrants in Scotland whose last employment was in the construction industry was respectively 23,667 and 46,521 in May 1979 and May 1982.

Children (Convictions)

Dr. Godman asked the Secretary of State for Scotland if will list in the *Official Report* the number of children convicted on indictment who were released on licence under section 206 of the Criminal Procedure (Scotland) Act 1975 in each of the years 1978 to 1984.

Mr. Ancram: The number of persons, sentenced as children and released on licence under section 206(2) of the Criminal Procedure (Scotland) Act 1967, as amended by section 44 of the Criminal Justice (Scotland) Act 1980, before the end of their sentences, was:

	Number
1978	34
1979	18
1980	18
1981	5
1982	15
1983	18
1984	8

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the number of children given custodial sentences following conviction on indictment for each of the years 1976 to 1984.

Mr. Ancram: The numbers of children given custodial sentences following conviction on indictment in the years 1976 to 1983 are give in the following table. Information for 1984 is not yet available.

Custodial sentences imposed on children in Scotland

	Number
1976	33
1977	38
1978	18
1979	21
1980	7
1981	9
1982	13
1983	13

Spina Bifida

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the number of infants born with spina bifida in Scotland in each of the years 1978 to 1984.

Mr. John MacKay: The information is as follows:

	Live births	*Stillbirths*	*Total*
1978	121	15	136
1979	81	10	91
1980	63	12	75
1981	67	6	73
1982	67	8	75
*1983	—	—	—
*1984	—	—	—

* Not yet available.

Parole Assessments

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the total number of parole assessments made by each of the local review committees in each of the years 1978 to 1984.

Mr. Ancram: The information is not readily available in the form requested.

Local Review Committees

Dr. Godman asked the Secretary of State for Scotland if he will list in the *Official Report* the number of local review committees, their location at penal institutions, the composition and size of their membership and the criteria by which members of the public are selected for membership.

Mr. Ancram: The location and composition of the 12 local review committees is as follows:

Location	*The Governor*	*Social workers*	*Independent members**
Aberdeen	1	3	3
Castle Huntly (same membership as Noranside)	1	3	3
Cornton Vale	1	3	3
Dumfries	1	3	3
Dungavel (covering also Barlinnie Special Unit cases)	1	3	3
Edinburgh	1	5	5
Glenochil	1	3	5
Noranside (same membership as Castle Huntly)	1	3	3
Penninghame	1	3	3
Perth	1	3	4
Peterhead (covering also Inverness Prison cases)	1	3	3
Shotts (covering also Barlinnie Prison cases)	1	3	3

* Persons who do not fall into either of the other categories and are not prison officers.

Independent members are selected for membership of local review committees on their individual merits, but with particular regard to their interests in social or penal affairs and their ability to contribute effectively to the preparatory work and meetings of local review committees.

NHS (Employment Statistics)

Lord James Douglas-Hamilton asked the Secretary of State for Scotland whether he will give a breakdown as to how many new doctors, nurses and auxiliary staff have been employed by the National Health Service in Scotland since May 1979, giving separate figures for each region, year by year, to date, indicating the net increase and number for each category since May 1979.

Mr. John MacKay: I shall reply to my hon. Friend as soon as possible.

Limited List Prescribing

Mr. Craigen asked the Secretary of State for Scotland what representations he has received from the Greater Glasgow local dental committee concerning the proposed restrictions on the number of drugs prescribable for patients on National Health Service form GP14 as from 1 April; and if he will make a statement.

Mr. John MacKay: None direct, but I have been asked by the hon. Member for Glasgow, Springburn (Mr. Martin) to comment on representations about the new measures which he has received from the Greater Glasgow local dental committee.

NORTHERN IRELAND

Nurses

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many student nurses have recently completed their training at each of the teaching hospitals in Northern Ireland; how many have been offered nurse posts at each of these hospitals; and how many have been offered nurse posts elsewhere in Northern Ireland.

Mr. Chris Patten: This information is not readily available in the form requested. The numbers of nurses at each of the seven colleges of nursing in Northern Ireland who were successful in the examination results published on the 3 October 1984 are as follows:

Newly Qualified Nurses

	Nurses who qualified at last outturn	*Nurses who obtained posts at hospitals at which they trained*
Belfast Northern College	70	†
Belfast Southern College	48	26
North Down College	25	†
Northern Area College	12	10
Southern Area College	31	19
Western Area College	34	20
College of Mental Health	23	*9

* This does not include nurses who may have obtained posts with the Eastern Health and Social Services Board.

† Not readily available.

Information on the number of those newly qualified nurses who obtained nurse posts elsewhere in Northern Ireland is not available.

Hotel Bedrooms (Grants)

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many new hotel bedrooms were approved for grant support in Northern Ireland in each of the three years ended 31 December 1982, 1983 and 1984.

Dr. Boyson: The information is as follows:

Year end 31 December	*1982*	*1983*	*1984*
Number of new hotel bedrooms approved for grant	35	84	170

Housing Waiting Lists

Mr. Parry asked the Secretary of State for Northern Ireland how many families were on the waiting list for public housing in the Province at the latest date.

Mr. Chris Patten: This is a matter for the Northern Ireland Housing Executive, but I understand from the chairman that the information is not readily available; I shall reply to the hon. Member as soon as possible.

Construction Industry

Mr. Parry asked the Secretary of State for Northern Ireland what measures he proposes to reduce unemployment in the construction industry in the Province; and if he will make a statement.

Mr. Chris Patten: The Government recognise the importance of the construction industry to the Northern Ireland economy. This was borne in mind when deciding Northern Ireland's public expenditure allocations for 1985-86, which were announced by my right hon. Friend the Secretary of State for Northern Ireland on 12 December 1984, at column 499. Full details have yet to be worked out, but I would expect planned capital expenditure next year to exceed £600 million, representing a real increase over this year's final figure.

This level of public expenditure should help to reduce still further unemployment in the construction industry, which has fallen by almost 1,000 as compared with this time last year.

Mr. Parry asked the Secretary of State for Northern Ireland how many workers were employed in the construction industry in the Province in June 1979 and at the latest available date.

Mr. Chris Patten: There were 37,150 employees in employment in the construction industry in Northern Ireland at June 1979. The corresponding figure at September 1984 (the latest available information) was 23,970 (provisional). Figures for Northern Ireland employment on a quarterly basis are available in the Library.

Housing Executive (Tenancies)

Mr. William Ross asked the Secretary of State for Northern Ireland how many persons with addresses in the Irish Republic have been granted the tenancy of Housing Executive dwellings in Northern Ireland in each of the last three years.

Mr. Chris Patten: This is a matter for the Northern Ireland Housing Executive, but I understand from the chairman that the information is not readily available; I shall reply to the hon. Gentleman as soon as possible.

Store Cattle (Exports)

Mr. Nicholson asked the Secretary of State for Northern Ireland how many store cattle were exported from Northern Ireland to other regions of the United Kingdom in each of the last three years.

Dr. Boyson [*pursuant to his reply*, 21 January 1985, c. *282*]: The information is as follows:

	Number
1982	8,816
1983	1,711
1984	2,057

Game Licences

Mr. William Ross asked the Secretary of State for Northern Ireland how many game licences were issued in Northern Ireland in each of the last five yars; and for each year, or financial year if more convenient, how many were for *(a)* a full year, *(b)* the period 1 August to 31 October and *(c)* 1 November to 31 July.

Mr. Chris Patten: The available information is as follows:

Game Licensing Year

	1981-82	*1982-83*	*1983-84*	**1984-85*
Full year licences issued between 1 August and 31 October and due to expire on the following 31 July	1,425	1,587	1,726	1,774
First period of the year ie issued after 1 August and due to expire on 31 October	10	18	7	34
Remainder of the year ie issued on or after 3 November and due to expire on the following 31 July	180	176	191	212
Licences covering a continuous period of not more than fourteen days	48	60	49	41
Total number of licences issued	1,663	1,841	1,973	2,061

* Up to 17 January 1985.

WALES

Lampeter and Cardigan (Congestion)

Dr. Roger Thomas asked the Secretary of State for Wales if he will expedite the start of a roundabout traffic arrangement to relieve congestion at the junction of the main roads from Lampeter and Cardigan with the A40 trunk road immediately east of the town of Carmarthen.

Mr. John Stradling Thomas: Preparation of a scheme is proceeding as quickly as possible, but a start of works will depend on the completion of statutory procedures and the availability of funds.

Milk Quotas

Mr. Wigley asked the Secretary of State for Wales of how many instances he is aware of milk quotas being transferred from one farm to another in Wales, and the volume of milk production involved in these transfers; how many of these involved transfers across county boundaries; and whether any were transfers to farms outside Wales.

Mr. Nicholas Edwards: This information is not readily available and could not be obtained without disproportionate cost.

Mr. Wigley asked the Secretary of State for Wales what is the approximate average length of time which appellants have to wait, after appearing before milk quota tribunals in Wales, before a decision on the outcome of the hearing is notified to them; and if he will make a statement.

Mr. Nicholas Edwards: Appellants appearing before the Dairy Products Quota Tribunal in Wales are being informed of the tribunal's decision within four to five weeks at present. Every effort is being made to reduce this period as the work of the tribunal draws to a close.

Grants and Assistance (Departmental Staff)

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report* the increase he expects in the number of staff at his Department processing both regional development grants and selective financial assistance following recent announcements in Government regional policy.

Mr. Nicholas Edwards: Initially, 81 posts including support staff; of which 72·5 have been transferred from the Department of Trade and Industry.

Coal Industry Dispute

Mr. Ron Davies asked the Secretary of State for Wales if he will estimate by county, the extra costs incurred in Wales by authorities discharging their statutory obligations under the Child Care Act 1980 and the Provision of Milk and Meals Regulations 1969 during the course of the current dispute in the mining industry.

Mr. Nicholas Edwards: No. Information is not available centrally. Furthermore, the Provisions of Milk and Meals Regulations 1969 were repealed by the Education Act 1980.

Mr. Ron Davies asked the Secretary of State for Wales if he will estimate the extra costs incurred by district councils in Wales in pursuance of their obligations under the Social Security and Housing Benefits Acts 1982 as a result of the current dispute in the mining industry.

Mr. Newton: I have been asked to reply.

The information is not available.

Local authorities in claiming subsidies from this Department for their housing benefit costs are not required to estimate how much benefit will be received by strikers and their families.

The information is not therefore available now and will not become so even when subsidy claims for the period covered by the miners strike have been finalised.

TRANSPORT

Vehicle Testing

16. **Mr. Gareth Wardell** asked the Secretary of State for Transport, for 1983-84 in Wales, by operator group, what was the number of vehicles that failed the annual public service vehicle test.

Mrs. Chalker: As initially presented for test the failure rates are about 35 per cent. for public sector vehicles and about 49 per cent. for private sector vehicles. Vehicles may fail the tests for reasons not connected with road safety. Failure rates at the test do not therefore necessarily indicate the mechanical condition of vehicles in service.

The number of vehicles which failed the test at the first attempt is as follows:

Wales 1983-84

Operator	*Total Number of Tests*	*Number of Failures*	*Per cent.*
NCB	1,368	469	34
Local Authority	518	195	38
Private	2,894	1,423	49

These results take no account of vehicles which passed after minor repairs were carried out at the testing stations. Taking those vehicles into account the number failed were as follows:

Operator	*Number of Failures*	*Per cent.*
NCB	132	10
Local Authority	56	11
Private	938	32

Mr. Fry asked the Secretary of State for Transport, pursuant to the reply by his hon. Friend the Parliamentary Under-Secretary of State, 14 January, *Official Report*, column *49*, if he will give the figures for the pass rate in the passenger service vehicle test which incorporate passes obtained after immediate rectification of faults; if he will explain the term "following immediate rectification of faults"; and if he will make a statement.

Mr. David Mitchell: Where a vehicle presented for test fails for minor defects the examiner may allow the operator to rectify the defects on the spot and present the vehicle again forthwith when it can be given a "pass after rectification".

Larger operators are generally better placed to take advantage of this system for their vehicles are more often tested on their own premises. The initial pass rate for private operators compares favourably with the pass rate for other operators and is about average for the whole PSV fleet. The figures are as follows:

Great Britain 1983-84

Operator	*Number of Vehicles Tested*	*Initial Pass Rate Number*	*Pass Rate*	*Additional Passes After Rectification of Minor Faults*	
			Per cent.	*Number*	*Per cent.*
NBC	14,173	8,509	60	3,973	28
PTE	9,247	4,573	49	2,911	32
Local Authority	5,168	3,481	67	1,201	23
Private	28,634	16,040	56	3,828	13
London Transport	4,965	2,340	47	2,063	42
Scottish Bus Group	3,105	2,077	67	351	11
Total	65,292	37,020	57	14,327	22

Woolwich Ferry

Mr. Cartwright asked the Secretary of State for Transport what are his current proposals for the future ownership and operation of the Woolwich ferry after the abolition of the Greater London council.

Mrs. Chalker: Appropriate arrangements to ensure the continued free operation of the ferry will be made in the light of our consultations.

Cycling

Mr. Skinner asked the Secretary of State for Transport if he will ensure that the cycling project team is retained; and if he will make a statement.

Mrs. Chalker: I have no plans to disband my team working on cycling matters.

Mr. Skinner asked the Secretary of State for Transport how many cycle schemes have been implemented *(a)* nationally and *(b)* throughout London in the last three years.

Mrs. Chalker: This information is not available centrally and could be obtained only at disproportionate cost.

Mr. Skinner asked the Secretary of State for Transport what was the figure for the total amount spent by his Department for *(a)* cycle schemes and *(b)* cycle safety campaigns in 1984.

Mrs. Chalker: In the 12 months to 31 December 1984 £178,195 was spent on innovative cycle schemes and schemes in the cycle route programme by the Department. The national pedal cycle safety publicity campaign cost £1,156,342. These figures do not include staff or administration costs at the Department of Transport headquarters and at the Transport and Road Research Laboratory, or expenditure accepted for TSG.

Greater Manchester (Abnormal Loads)

Mr. Andrew F. Bennett asked the Secretary of State for Transport how many abnormal loads pass through Greater Manchester per year; and what provision for abnormal load routeing he has made for the financial year 1986-87.

Mrs. Chalker: On average about 9,500 abnormal loads pass through the Greater Manchester area each year. We are at present considering what provision should be made for abnormal load routeing in 1986-87. I shall write to the hon. Gentleman when we have reached a decision.

Greater Manchester (Trunk Road Bridges)

Mr. Andrew F. Bennett asked the Secretary of State for Transport what arrangements he has made for the maintenance of trunk road bridges in Greater Manchester in the financial year 1986-87.

Mrs. Chalker: We have not finalised future arrangements for the maintenance of trunk road bridges in the Greater Manchester area. At present, we are consulting the district councils in the area and will decide the best way forward when we have their views.

Kirkhamgate-Dishforth Road Scheme

Mr. Batiste asked the Secretary of State for Transport when he will make a statement on the Kirkhamgate-Dishforth road scheme.

Mrs. Chalker: My right hon. Friends the Secretaries of State for Transport and for the Environment hope to announce a decision in the early part of 1985.

Railway Employees (Accident Statistics)

Dr. Twinn asked the Secretary of State for Transport if he will list the number of railway employees killed and seriously injured in accidents whilst on duty in each of the past 10 years and show how many of those killed and injured were struck by trains.

Mr. David Mitchell: The information requested is as follows:

Fatal and Serious Accidents to Railway Employees on all Railways in Great Britain

Year	All accidents			Struck by trains		
	Fatal	Serious	Total	Fatal	Serious	Total
1975	46	595	641	27	104	131
1976	46	559	605	30	70	100
1977	34	629	663	28	101	129
1978	45	781	826	33	88	121
1979	43	807	850	24	81	105
1980	32	611	643	20	94	114
1981	27	192	219	21	35	56
1982	27	137	164	17	22	39
1983	28	161	189	24	39	63
1984*	25	120	145	14	18	32

* Provisional.

Note: In 1981 the definition of a serious injury was changed to conform to the more rigorous "major injury" classification used by the Health and Safety Executive.

The figures show a significant decrease in the number of industrial deaths and serious injuries, the 1984 figures being the lowest ever recorded. The improvement reflects the considerable effort put into accident prevention in recent years within the railway industry.

Bus Service (Cross Subsidy)

Mr. Freud asked the Secretary of State for Transport, pursuant to his reply to the hon. Member for Cambridgeshire, North-East of 14 January, whether he will now estimate the current value of cross subsidy in the bus service.

Mr. David Mitchell: Appendix B of the White Paper "Buses" (Cmnd. 9300), discussed the available information on cross subsidy in the bus industry. Subsequently the National Bus Company has suggested that the level of cross subsidy which it might withdraw on deregulation was £122 million, or twice the amount of direct revenue subsidy. The amount of cross subsidy at risk in passenger transport areas is likely to be relatively smaller, because of the higher incidence of direct subsidy. No specific estimate is available for cross subsidy by municipal undertakings or the private sector which might be withdrawn following deregulation.

British Airways

Mrs. Dunwoody asked the Secretary of State for Transport when he intends to float shares in British Airways; and if he will make a statement.

Mr. Ridley: I have nothing to add to the answer given by my hon. Friend the Parliamentary Under-Secretary of State, to my hon. Friend the Member for South Hams (Mr. Steen) on Thursday, 17 January at column *193*.

Motor Cyclists (Driving Tests)

Mrs. McCurley asked the Secretary of State for Transport what representations alleging inadequacy in the one-part test for motor cyclists with sidecars he has received; and what action he is taking in response thereto.

Mrs. Chalker: I have received no such representations, but if my hon. Friend would like to write to me about any particular matter of concern, I shall be pleased to consider it.

Electrically Assisted Pedal Cycles

Mr. Peter Bruinvels asked the Secretary of State for Transport, pursuant to the answer to the hon. Member for Leicester, East of 17 January, if he will introduce legislation *(a)* to require drivers of electrically assisted pedal cycles to pass a driving test, hold a current driving licence and possess a valid motor insurance certificate, *(b)* to render the owners of such vehicles liable to vehicle excise duty and *(c)* to require such vehicles to be submitted to a periodic roadworthiness test; and if he will make a statement.

Mrs. Chalker: No. Legislation has only recently provided for electrically assisted pedal cycles to be treated as pedal cycles not as motor vehicles. This excludes them from requirements relating to driver testing and licensing, compulsory motor insurance and tests of roadworthiness. All electric vehicles are exempt from vehicle excise duty. I have no grounds for seeking a reversal of Parliament's decision.

Air Traffic Licences

Mr. Steen asked the Secretary of State for Transport what effect the slippage in plans for privatising British Airways will have on the manner in which he exercises his functions in relation to appeals against Civil Aviation Authority decisions on air traffic licences; and if he will make a statement.

Mr. Michael Spicer: There will be no effect since the privatisation of British Airways has never been material to my right hon. Friend's consideration of appeals.

Airport Security

Mr. Johnston asked the Secretary of State for Transport how many persons are employed in airport security in the United Kingdom; what was the cost in the last convenient year; and how the cost is met.

Mr. Michael Spicer: When on 29 July 1982 the Secretary of State for Trade announced that the aviation security fund was to be wound up it was stated that, as from April 1983, the costs of security would in general be met directly by the airport authorities who would then recover them from the airlines; the Department of Trade would continue to set and monitor security standards. Folliwing the winding up of the fund, the Department of Trade and, since June 1983, the Department of Transport have continued to set security standards and to monitor the implementation of those standards by the security staff employed by United Kingdom airports and by the security staff employed by United Kingdom and foreign airlines at United Kingdom airports. The total number of security staff involved and the costs involved are entirely matters for the airports and airlines concerned and in most cases now security costs may not be distinquishable from other operating costs.

MOT Scheme

Mr. Roger King asked the Secretary of State for Transport how many representations he has received concerning his Department's proposed new test station regulations.

Mrs. Chalker: Representations have been received from motoring organisations and the motor trade whose views were sought as part of the consultation exercise on the proposed new conditions of appointment to the MOT scheme. These organisations are:

Motor Agents Association;
Scottish Motor Trade Association;
Motor Cycle Association of Great Britain;
Motor Cycle Retailers Association;
Garage Equipment Association;
Society of Motor Manufacturers and Traders;
Royal Automobile Club;
Automobile Association;
Vehicle Builders and Repairers Association;
Association of District Councils;
Association of Metropolitan Authorities;
Association of County Councils;
and British Telecom.

In addition to representations from these bodies, 37 letters have been received from garages and members of the public. A number of these were made following an article in *Motor Trader*. Thirty-five hon. Members have also written to me about the proposals.

Mr. Roger King asked the Secretary of State for Transport (1) whether, in view of the deferment on the introduction of his Department's proposed new test station regulations, he will consider lifting the embargo on the appointment of new testing centres;

(2) when he expects his Department's proposed new test station regulations to be introduced.

Mrs. Chalker: No specific date has been set for the introduction of new conditions for authorised examiners and there has consequently been no deferment. It remains my intention to make an announcement as soon as consultations with interested bodies are concluded, and agreement on the final form of the conditions is reached. Their introduction will be accompanied by a lifting of the present embargo on new applications for appointment to the MOT scheme. I do not intend to lift the embargo until then.

Mr. Roger King asked the Secretary of State for Transport what consultations he had with the motor trade when drawing up the proposed new regulations for Ministry of Transport test stations.

Mrs. Chalker: My Department has regular contacts with representatives of the motor trade. The main organisations have been consulted about the new proposals, and my officials held meetings with the trade in autumn 1984. I met the Motor Agents Association for further discussions on 18 December.

Mr. Roger King asked the Secretary of State for Transport how many copies of the proposed new regulations on MOT test stations were available for distribution from local Ministry of Transport offices at the time of announcement; and if he is satisfied that the local Ministry of Transport offices were fully conversant with the details of the scheme.

Mrs. Chalker: consultations with the motoring organisations and the motor trade are still taking place and

no announcement about new conditions of appointment has yet been made. Copies of the final form of the new conditions are not therefore available. The Department's local offices will be sent copies for distribution as necessary as soon as the proposals are finalised.

Mr. Roger King asked the Secretary of State for Transport if he will list by car model the number of vehicles that require the services of a jacking bridge of 1·5 tonnes capacity as laid down in the proposed new Ministry of Transport test station regulations.

Mrs. Chalker: The majority of cars, with the exception of heavy vehicles such as the Rolls-Royce, do not require a jacking bridge of 1·5 tonnes capacity. However, the MOT test also covers light goods vehicles, ambulances, mobile homes and vans up to 1,525 kg unladen weight, for which all testing stations are required to make provision. A number of these vehicles will be laden at the time of test. It is in recognition of the safety hazard when lifting these vehicles, which now has to be done using supplementary jacks, that jacking bridge capacity has been increased to 1·5 tonnes.

Mr. Roger King asked the Secretary of State for Transport what evidence he has received that stipulates a requirement to increase the depth of an inspection pit in a Ministry of Transport test station from 54 in to 60 in as proposed in the new Ministry of Transport test station regulations.

Mrs. Chalker: An increase in the depth of inspection pits from 54 in to 60 in will be conducive to a better examination in view of the difficulty that testers are known to have when inspecting vehicles with low ground clearance, including most cars. I propose that new entrants to the vehicle testing scheme will therefore be required to provide inspection pits with a minimum depth of 60 in. While this will also apply to changes of ownership of a testing station after one year, in the light of representations I have received about the difficulties of altering pits, I am not proposing to ask existing authorised examiners to meet this new requirement.

Mr. Roger King asked the Secretary of State for Transport whether, in view of the extra facilities required for Ministry of Transport test stations, he intends to introduce new testing fees.

Mrs. Chalker: The maximum fee chargeable for the MOT test is reviewed annually in consultation with representations of the motor trade. Another review will take place later this year.

East London River Crossing

Mr. Cartwright asked the Secretary of State for Transport when he now expects the public inquiry into the proposed east London river crossing to be held.

Mrs. Chalker: As I told the hon. Member on 24 October, I expect the public inquiry to start this summer. I aim to announce the actual start date during the spring.

Weighbridges

Mr. Cartwright asked the Secretary of State for Transport (1) by what date he expects driver self-weigh facilities to be installed on the Department's axle weighbridges at ports;

(2) by what date he expects axle weighbridges to be installed at those ports which do not yet have those facilities; and whether he is satisfied that sufficient funds have been made available in the coming financial year to ensure that this work can be carried out by the dates given.

Mrs. Chalker: Driver self-weigh equipment has been provided at the ports of Plymouth, Poole, Dover East and Dover West. Consideration is being given to providing a self-weigh facility during 1985 at other RO/RO ports with axle weighbridges where security of the equipment can be maintained.

I am satisfied that the financial allocations for 1985-86 will allow self-weigh equipment to be installed at these ports and is sufficient to cover the installation of weighbridges at those RO/EO ports which are to be provided with them.

Mr. Cartwright asked the Secretary of State for Transport if he will publish in the *Official Report* a table giving *(a)* a list of those of his Department's weighbridges which are open for use 24 hours a day and *(b)* in the case of those axle weighbridges not open for use 24 hours a day, the hours when the three enforcement agencies used each weighbridge for enforcement checks during the month of September 1984.

Mrs. Chalker: The dynamic axle weighbridges provided with a self-weigh facility at the ports of Plymouth, Poole, Dover East and Dover West are available for use by drivers and enforcement staff at any time, as is the self-weigh axle weighbridge at Gildersome, west Yorkshire.

All axle weighbridges were used regularly by staff of all three enforcement agencies during September 1984 on an average of two days a week.

Methyl Isocyanate

Mr. Kilroy-Silk asked the Secretary of State for Transport what are the routes along which methyl isocyanate is transported within the United Kingdom.

Mrs. Chalker: I refer the hon. Member to my reply to the hon. Member for Bury St. Edmunds (Mr. Griffiths) on 17 December 1984, at column 67. I am not aware of any other bulk movements of methyl isocyanate, but there is no requirement for such movements to be notified.

Mr. Kilroy-Silk asked the Secretary of State for Transport if he has completed his review of the way in which methyl isocyanate is transported following the Bhopal disaster.

Mrs. Chalker: The investigations of the Indian authorities into the Bhopal disaster have not yet been completed. When they are, we will consider whether there are any lessons that may be applied to transport in this country.

Buses

Mr. Hoyle asked the Secretary of State for Transport if he will list the date on which he is going to present the Bill based on the buses White Paper together with the dates on which he intends to bring in the deregulation of passenger transport and the obligation on municipal operators to form separate companies.

Mr. David Mitchell: I refer the hon. Member to the reply my right hon. Friend gave to the hon. Member for Northampton, North (Mr. Marlow) on 14 January, at column 3.

Acle (Bypass)

Mr. Ryder asked the Secretary of State for Transport what plans he has to issue notices in connection with the Acle bypass.

Mrs. Chalker: My right hon. Friend hopes to be able to publish the draft orders for the bypass in the spring.

Aerial Spraying

Mr. John asked the Secretary of State for Transport how many inspectors are employed by the Civil Aviation Authority in connection with aerial spraying.

Mr. Michael Spicer: The Civil Aviation Authority employs eight investigation officers. These deal with all breaches of aviation regulations, not just with aerial spraying. On aerial spraying the CAA co-operates closely with the Health and Safety Executive's agricultural inspectorate, which has a larger number of investigators

Mr. John asked the Secretary of State for Transport if he will estimate the areas of *(a)* agricultural land and *(b)* woodland sprayed in each year since 1977 by (i) fixed wing aircraft and (ii) helicopters; if he will give for each year the total number of aircraft involved; and if he will estimate for each year the proportion accounted for by pesticide application.

Mr. Michael Spicer: I will let the hon. Member have a reply as soon as possible.

Stockbridge, Keighley

Mr. Waller asked the Secretary of State for Transport when a full reply will be sent to the hon. Member for Keighley about the matters raised in his letters of 14 June 1984 and 20 August 1984 addressed to the Minister of State, the hon. Member for Wallasey (Mrs. Chalker), conerning the problems of residents in the Stockbridge area of Keighley.

Mrs. Chalker: I expect to be able to reply to the hon. Member's letters very shortly.

AGRICULTURE, FISHERIES AND FOOD

Pollution Control

Sir Hector Monro asked the Minister of Agriculture, Fisheries and Food what recommendations on good agricultural practice he proposes to make in accordance with section 31 of the Control of Pollution Act 1974.

Mr. Jopling: The Secretary of State for Wales and I have published today a code of good agricultural practice which gives guidance to farmers on minimising the risk of water pollution from fertilisers, pesticides, manures, silage and farm wastes. The code has been prepared in consultation with the farming and water industries and other interested organisations. The main points of the code are highlighted in a guide which is being sent to all farmers in England and Wales.

This marks a further step in the Government's programme for environmental protection. By adhering to the published guidelines, farmers will help to reduce the current level of water pollution, which is a matter of concern to us all. I believe that the vast majority of farmers care for the countryside in which they live, and I urge them all to follow the code.

The code relates to section 31 of the Control of Pollution Act 1974. Under this section, it is an offence knowingly to permit any poisonous, noxious or polluting substances to enter water, including underground water. The section recognises that farmers use potentially polluting substances in the course of normal farming practices which may result in the accidental pollution of water. It therefore provides that no offence is committed if the pollution was caused through an action in accordance with good agricultural practice.

The code summarises the main operating points and refers to advisory publications available from my Ministry and other sources for advice on specific details. If farmers are in any doubt whether an activity is likely to cause pollution, they should consult my agricultural development and advisory service or the local water authority.

Research, Development and Advisory Services

Mr. Robert Atkins asked the Minister of Agriculture, Fisheries and Food if he will make a statement on planned expenditure by the agricultural departments on research and development and advisory services.

Mr. Jopling: In the Government's expenditure plans, published today, provision for expenditure by the Agriculture Departments on research and development has been reduced by £10 million in 1986-87 and by £20 million in 1987-88 and on advisory services by £20 million in 1987-88. There are no reductions in planned expenditure for 1985-86. These changes reflect the Government's aim that industry should make a greater financial contribution towards research and development from which it benefits and to the cost of advisory services funded by the Agriculture Departments. As the White Paper makes clear, the figures are provisional and will be influenced by the progress made on the implementation of the Bell report and the scope for industry support of research undertaken by the public sector. The Agriculture Ministers have asked the Priorities Board on Research and Development in Agriculture and Food to consider and advise on the allocation of resources between the different sectors of agriculture and food research, taking account of future priorities for the direction of research and the scope and prospects for increased levels of industry funding.

The proposed reductions in expenditure will be shared between the Ministry of Agriculture, Fisheries and Food and the Department of Agriculture and Fisheries for Scotland. MAFF expects to reduce expenditure on research by about £8·25 million in 1986-87 and by £16·5 million in 1987-88 and to reduce expenditure on advisory services by about £16·5 million in 1987-88. Part of the reduction will be borne by fisheries research — about £500,000 in 1986-87 and £1 million in 1987-88.

Agricultural Lettings

Mr. John asked the Minister of Agriculture, Fisheries and Food if he will estimate the number of extra lettings that have occurred as a result of the Agriculture Holdings Act 1984 and the betterment in rent that has resulted.

Mrs. Fenner: It is far too early to try to assess what effect the provisions of the 1984 Act may have had on the number of lettings. As far as rents are concerned, the Government made it clear during the passage of the Bill through Parliament that the new rent formula was designed to do no more than give legal cover to the approach already adopted by arbitrators generally. I would not, therefore, expect the 1984 Act itself to have any marked effect on the level of rents.

Pesticides

Mr. John asked the Minister of Agriculture, Fisheries and Food what steps he has taken to implement the recommendation of the Royal Commission on environmental pollution that data on the quantities of active ingredients in pesticides manufactured and sold should be made freely available.

Mrs. Fenner: Following publication of the Government's response to the Seventh Report of the Royal Commission on Environmental Pollution ("Agriculture and Pollution" Pollution Paper No. 21, 1983) officials met representatives of trade associations and data users to assess what data exists on quantities of active ingredients manufactured and sold. Since then we have introduced, in the Food and Environment Protection Bill, proposals for pesticides legislation. It is our intention, through regulations made under that Bill, to require manufacturers and others to keep certain records. We are also considering ways and means of making usage data more immediately accessible to interested parties. This issue will be discussed in detail with manufacturers, users, environmental groups and others interested in the data during the consultations on the proposed regulations.

Mr. John asked the Minister of Agriculture, Fisheries and Food what organochlorine pesticides are currently cleared for use in agriculture; and, at the latest date for which figures are available, what was the estimated quantity of their use *(a)* in spray hectares and *(b)* in tonnes of active ingredient.

Mrs. Fenner: There are a number of organic pesticides which contain chlorine and could therefore be broadly defined as 'organochlorines'. However, the normal interpretation of this term is specific to those organochlorine compounds which can persist in the environment to a greater or lesser extent. Pesticides which fall into this category and are cleared under the pesticides safety precautions scheme for certain specific purposes in agriculture are:

Aldrin.
Chlordane.
Lindane.

As regards the question on usage, I refer my hon. Friend to my reply of 21 January 1985 to the hon. Member for Caerphilly (Mr. Davies).

Fishing Vessels

Dr. Godman asked the Minister of Agriculture, Fisheries and Food if he will list in the *Official Report* *(a)* the number and types of fishing vessels which have qualified for de-commissioning grants from the European Economic Community that were constructed with the aid of grants and loans from the White Fish Authority and *(b)* the amount of this financial assistance per vessel.

Mr. MacGregor [*pursuant to his reply*, 17 January 1985, c. 199]: The number of vessels in respect of which reimbursement of part of the cost of decommissioning grants has been sought for the period January to December 1984 from the European Commission and which have been subject to grants or loans from the White Fish Authority or the Sea Fish Industry Authority is as follows:

		Total assistance from WFA or SFIA £
(i) England		
Freezer Trawlers	3	1,054,638
Near Water Vessels		
Stern Trawlers	4	796,649
	TOTAL	1,851,287
(ii) Scotland		
Near Water Vessels		
Side Trawlers	4	105,229
Great Liners	1	25,393
	TOTAL	130,622
Wales		Nil
Northern Ireland		Nil
		1,981,909

DEFENCE

Foreign Armed Forces

Mr. Chris Smith asked the Secretary of State for Defence (1) if he will list the countries whose armed forces have been provided with interrogation resistance training by Her Majesty's armed forces during the period 1980 to 1984;

(2) if he will list the countries whose police or paramilitary forces have been provided with interrogation resistance training by Her Majesty's armed forces during the period 1980 to 1984.

Mr. Lee: As my right hon. Friend the Minister of State for the Armed Forces, made clear on 22 February at col. *548*, practical training in resistance to interrogation is made available only to members of the armed forces of NATO countries and other close allies, who participate as volunteers and with their own Government's approval. The number is about 50 a year. It is not our practice to detail the specific countries to which we give certain types of training.

Mr. Chris Smith asked the Secretary of State for Defence if training in the protection of human rights is an integral part of training provided to foreign military personnel by Her Majesty's armed forces.

Mr. Lee: The protection of human rights is part of the syllabus of some courses in the United Kingdom which are open to foreign nationals.

Mr. Chris Smith asked the Secretary of State for Defence if the principles of the United Nations code of conduct for law enforcement officials are embodied in training provided to foreign police or paramilitary forces by Her Majesty's armed forces.

Mr. Lee: No, but all our training complies with United Kingdom and international law.

Equipment and Weapons (Costs)

Sir David Price asked the Secretary of State for Defence what effect the falling pound has had on the purchase of defence equipment and weapons from the United States of America; and if he intends re-thinking any of the decisions incorporated in his 1984 statement on defence as a result of the weakness of the pound against the dollar.

Mr. Butler: Inevitably, any relative weakness of the pound against the dollar at time of payment will have an adverse effect on the cost of the small proportion of the United Kingdom's defence equipment requirement which is purchased in America. Procurement plans are kept under continual review, taking price and all other relevant factors into account.

Sir David Price asked the Secretary of State for Defence if agreements to purchase defence equipment and weapons from the United States of America are made at fixed rates of exchange between the US dollar and the pound at the time of signature or at the prevailing market rate when each progress payment falls due.

Mr. Butler: The vast majority of agreements to purchase defence equipment and weapons from the United States are expressed in dollars, being either procurement from the US Department of Defence under their foreign military sales procedures or direct contracts with US companies placed by our procurement office in Washington. The dollars required are purchased at the rate of exchange prevailing when payments are made. In addition, a few contracts are placed in sterling with United Kingdom agents of US companies.

Ethiopia Famine (Hercules Aircraft)

Mr. Wilkinson asked the Secretary of State for Defence how long he intends to maintain C130 Hercules aircraft of Royal Air Force Support Command on famine relief duties in Ethiopia.

Mr. Stanley: I refer my hon. Friend to the reply given by my right hon. Friend the Minister for Overseas Development to my hon. Friend the Member for Chipping Barnet (Mr. Chapman) on 18 January at column *247*.

Service Personnel (Costs)

Mr. Churchill asked the Secretary of State for Defence what is the approximate per capita annual cost of *(a)* a Regular Army soldier, *(b)* a Territorial and *(c)* a member of the Home Service Force, taking account of total employment costs, including remuneration, pension (where applicable), training and personal equipment costs.

Mr. Lee [*pursuant to his reply*, 21 January 1984, c. *323*]: The estimated average annual cost, at 1984-85 prices, for each of these categories is as follows:

	£
Regular Army soldier	11,900
Territorial Army soldier	2,547
Member of the Home Service Force	574

These figures cover pay and allowances, personal equipment and other support costs and in the case of the regular army soldier elements for training and non-effective benefits. Training cost figures for territorial army soldiers and members of the home service force are not separately identifiable without disproportionate cost and effort.

SOCIAL SERVICES

External Consultants

Mrs. Renée Short asked the Secretary of State for Social Services what level of spending has been devoted by his Department to external consultancy work in each year since 1979.

Mr. Fowler: The information is as follows:

	£
1979-80	411,026
1980-81	390,930
1981-82	731,276
1982-83	1,315,588
1983-84	3,622,887
*1984-85	3,711,596

* To 30 November 1984

The main reason for the recent increase has been the need to obtain experienced technical assistance with the development of advanced online computer systems for social security operations.

Limited List Prescribing

Mr. Beith asked the Secretary of State for Social Services whether he will include in his final arrangements for National Health Service limited list prescribing, a procedure whereby a general practitioner may prescribe under the National Health Service medicines which are not on the proposed limited list in any case where the doctor has good grounds to believe that his patient's clinical needs cannot be met from the approved list.

Mr. Kenneth Clarke: No. This will not be necessary, as we intend to produce a list of drugs prescribable on the National Health Service which will meet all clinical needs.

Mr. Beith asked the Secretary of State for Social Services (1) why no provision was made for suitable antacids to be available for National Health Service prescription during pregnancy under his proposed draft limited list;

(2) why no provision was made for suitable laxatives to be available for National Health Service prescription during pregnancy under his draft proposed limited list;

(3) why no provision was made for multi-vitamin preparations to be available for use in treatment of premature infants on National Health Service prescription in his draft proposed limited list;

(4) why no provision was made for codeine phosphate to be available for National Health Service prescription in cases of head injury under his provisional proposals for a limited list;

(5) why no provision was included for antitussive cough medicine suitable for prescription to diabetics to be available under his draft proposed National Health Service limited list;

(6) why no provision has been made for long-acting mild analgesics to be available for National Health Service prescription under his draft limited list proposals.

Mr. Kenneth Clarke: We are considering all these matters very carefully during our consultation with the medical and pharmaceutical professions and the drugs industry. We will take the advice of the Chief Medical Officer and a panel he has assembled of distinguished doctors and pharmacists on the medical issues concerned. We intend to produce a limited list which will cover all clinical needs.

Mr. Craigen asked the Secretary of State for Social Services if he will list the drugs which dentists may currently prescribe on the National Health Service but which he proposes after 1 April should cease to be available on National Health Service prescription; if he will explain the reasons for this proposal; and if he will make a statement.

Mr. Kenneth Clarke: We are presently consulting on the content of the limited list. Until this consultation is complete it will not be possible to list the medicines presently prescribable by dentists which will no longer be available under the National Health Service. Our stated intention is to ensure that within the categories of drugs to be included in the limited list there will be an adequate range of effective drugs, sufficient to meet all clinical needs.

Pharmaceuticals

Mr. Hoyle asked the Secretary of State for Social Services what has been the net return at historic cost for *(a)* the United Kingdom pharmaceutical industry as a whole and *(b)* pharmaceutical companies engaged in supplying products to the National Health Service in each year since 1960.

Mr. Kenneth Clarke: This information is not available from official sources.

Death Grant

Mr. Butterfill asked the Secretary of State for Social Services what percentage amount of an average funeral cost is covered by the death grant.

Mr. Whitney: The standard rate death grant covers between 5 and 9 per cent. of the cost of an average funeral.

Mr. Butterfill asked the Secretary of State for Social Services whether he will publish a table showing the cost of increasing the death grant to £50, £100, £150, £200, £250, £300, £350 and £400 *(a)* under present eligibility rules and *(b)* if the current restrictions to benefit were removed.

Mr. Whitney: The information requested is given in the table.

£	*Death grant payable under present eligibility rules £ million*	*Death grant payable if current restrictions to benefit removed £ million*
50	11	14
100	40	45
150	69	77
200	98	110
250	128	142
300	157	175
350	187	209
400	217	243

Mr. Butterfill asked the Secretary of State for Social Services how many people would be eligible for the death grant if eligibility were restricted to those on supplementary benefit, family income supplement and housing benefit; and at what level the grant could then be paid for the same total annual expenditure.

Mr. Whitney: It is estimated that some 240,000 people would qualify for death grant if eligibility were restricted to people responsible for funeral expenses who were receiving supplementary benefit, family income supplement or housing benefit. If expenditure were limited to the present total, a grant of around £70 could be paid to this number of beneficiaries.

Mr. Butterfill asked the Secretary of State for Social Services whether he will estimate the cost of raising the death grant to £300 for parents of children who die under the age of 16 years.

Mr. Whitney: It is estimated that to pay a death grant of £300 in respect of all children who die under the age of 16 would cost an additional £3 million.

Mr. Butterfill asked the Secretary of State for Social Services whether he will estimate the cost of extending entitlement to full rate death grant to all men aged over 90 years and women aged over 85 years.

Mr. Whitney: To pay a death grant of £30 in respect of deaths of men over age 90 and women over 85 would cost an extra £1 million.

Mr. Butterfill asked the Secretary of State for Social Services whether he will publish in the *Official Report* details of the categories of people who do not qualify for death grant; and whether he will estimate the number of people involved.

Mr. Whitney: The following do not qualify for payment of a death grant:

Men born before 5 July 1883
Women born before 5 July 1888
Stillborn babies

In June 1983 there were an estimated 1,500 men born before 5 July 1883 and 28,500 women born before 5 July 1888 living in England and Wales. Figures for Scotland are not available in this form. In 1983 (the latest year for which figures are available) there were around 3,600 stillbirths in England and Wales and 380 in Scotland.

Mr. Butterfill asked the Secretary of State for Social Services what figure his Department calculates as representing the average cost of a simple funeral, as referred to in paragraph 11 of the consultative document, "The Death Grant"; and if he will make a statement.

Mr. Whitney: The Department does not collect figures on funeral costs, but I understand that the current cost of a simple funeral ranges widely from £350 upwards.

Dignity in Death Alliance

Mr. Butterfill asked the Secretary of State for Social Services when he last met representatives from the Dignity in Death Alliance.

Mr. Whitney: Neither my right hon. Friend nor any other Social Security Minister has had any meetings with the Dignity in Death Alliance.

Occupational Therapists

Mr. Coombs asked the Secretary of State for Social Services if he will list for each county council in England and Wales the number of occupational therapists employed by social services departments in 1980 and in the most recent year for which figures are available.

Mr. Kenneth Clarke: The available information is as follows:

Numbers of qualified occupational therapists (whole-time equivalents) employed by Social Services Departments

Non-metropolitan counties—England	*As at 30 September* 1980	1981	1982	1983
Avon	8·5	—	—	17·1
Bedfordshire	—	—	—	—
Berkshire	25·5	—	—	31·9
Buckinghamshire	—	—	—	—
Cambridgeshire	NA	—	—	10·0
Cheshire	19·9	—	—	23·4
Cleveland	1·0	—	—	—
Cornwall	8·0	—	—	14·0
Cumbria	4·7	—	—	—
Derbyshire	17·1	—	—	22·5
Devon	31·0	—	—	55·4
Dorset	11·6	—	—	11·1
Durham	6·5	—	—	10·3
East Sussex	11·5	—	—	12·5
Essex	—	11·5	NA	NA
Gloucestershire	15·5	—	—	20·2
Hampshire	NA	—	—	34·0
Hereford and Worcester	—	—	—	—
Hertfordshire	38·6	—	—	46·6
Humberside	2·5	—	—	3·0
Isle of Wight	2·0	—	—	2·0
Kent	14·3	—	—	15·5
Lancashire	—	—	—	—
Leicestershire	12·3	NA	NA	NA
Lincolnshire	3·9	—	—	4·5
Norfolk	11·2	—	—	15·6
Northamptonshire	NA	—	—	—
Northumberland	1·8	—	—	3·0
North Yorkshire	11·0	—	—	9·0
Nottinghamshire	NA	—	—	26·6
Oxfordshire	3·0	—	—	3·2
Shropshire	3·0	—	—	5·0
Somerset	10·4	—	—	10·0
Staffordshire	—	NA	NA	NA
Suffolk	8·2	—	—	9·5
Surrey	NA	—	12·7	NA
Warwickshire	11·0	—	—	14·0
West Sussex	—	—	—	—
Wiltshire	11·5	—	—	12·6
Non-metropolitan counties—Wales				
Clwyd	4·3	—	—	2·0
Dyfed	6·6	—	—	3·2
Gwent	4·7	—	—	6·5
Gwynedd	—	—	—	6·5
Mid Glamorgan	3·0	—	—	13·9
Powys	—	—	—	—
South Glamorgan	—	—	—	7·0
West Glamorgan	1·0	—	—	1·0

— = Nil
NA = Data not available

Mr. Coombs asked the Secretary of State for Social Services if he will list for each regional health authority in England and Wales the number of occupational therapists employed in 1980 and in the most recent year for which figures are available.

Mr. Kenneth Clarke: Figures for Wales are a matter for my right hon. Friend the Secretary of State for Wales. The figures for England are as follows:

National Health Service
Occupational Therapists in each Regional Health Authority in England at 30 September each year
Whole time equivalent

Regional Health Authority	*1980*	*1983*
Northern	103	132
Yorkshire	173	218
Trent	245	350
East Anglian	135	183
North West Thames	221	263
North East Thames	232	306
South East Thames	202	240
South West Thames	203	253
Wessex	173	216
Oxford	199	235
South Western	235	284
West Midlands	229	273
Mersey	129	160
North Western	184	257
Total of the 14 Regional Health Authorities*	†2,664	†3,370

* This total is for the 14 regions only and does not include staff in the post-graduate special health authorities and so on.
† Owing to rounding the sum of the component figures may not agree with the totals.
Source: Annual Census of NHS Non-Medical Manpower (SR7)

Board and Lodging (Islington)

Mr. Chris Smith asked the Secretary of State for Social Services how many 16 and 17-year-olds are currently in receipt of benefit whilst in board and lodging in Islington.

Mr. Whitney: I regret that this information is not available and could be obtained only at disproportionate cost.

Asian Mother and Baby Campaign

Mr. Cohen asked the Secretary of State for Social Services what is the amount of public funds going to the Asian Mother and Baby Campaign recently launched by Princess Anne; and if he will make a statement about Her Majesty's Government's commitment to this campaign.

Mr. Kenneth Clarke: The cost to central funds of the campaign is expected to be about £1·3 million. As I made clear both at the national launch in September and again at the first of the local launches, in Birmingham, in December, the Government were responsible for launching this campaign and are fully committed to it.

Mr. Cohen asked the Secretary of State for Social Services what are the areas where the Asian Mother and Baby Campaign is *(a)* currently operating and *(b)* proposing to operate; and whether he will facilitate its operation in Waltham Forest.

Mr. Kenneth Clarke: Link workers are now operating in Birmingham, are training in Leicestershire, and are expected to be appointed in Bradford, Bolton, Blackburn and Newham within the next few months. The remaining four or five areas to which the link worker scheme is to be extended have not yet been determined, but Waltham Forest is one of those being considered.

Mr. Cohen asked the Secretary of State for Social Services whether the link workers of the Asian Mother and Baby Campaign are proposed to be temporary or permanent appointments.

Mr. Kenneth Clarke: Link workers are being appointed with support from central funds for a fixed term of two years. At the end of that period it will be for the health authorities concerned to decide whether and on what terms to offer a new contract.

Draughtproofing Grants

Mr. Cohen asked the Secretary of State for Social Services if he will estimate the number of people in Leyton and Waltham Forest who *(a)* claimed and *(b)* were eligible for draughtproofing grants in the last year for which figures are available.

Mr. Whitney: This information is not available and could be obtained only at disproportionate cost.

Contraceptive Implants

Ms. Richardson asked the Secretary of State for Social Services if the pharmaceutical company Schering has made any application for a contraceptive licence for any contraceptive implants.

Mr. Kenneth Clarke: Information cannot be given on applications for licences under the Medicines Act for reasons of commercial confidentiality. The company has been granted a licence to market an intra-uterine contraceptive device called Nova T, although this would not come strictly within the term "implant".

Cervical Cytology

Mr. Cohen asked the Secretary of State for Social Services when he expects the cervical cytology research which his Department is funding into the effectiveness of a local call system to be completed; and whether he will publish these research findings.

Mr. Kenneth Clarke: This study is included in a research project being supported by our Department at the University of Manchester department of epidemiology and social research. It is expected to be completed in mid-1987. Researchers supported from DHSS funds are always encouraged to publish their findings.

Patients (Money)

Mr. Tom Cox asked the Secretary of State for Social Services if he will outline the procedures followed by National Health Service hospitals regarding money paid for safekeeping into hospital accounts by patients; how such accounts are administered; what are the criteria governing withdrawals; how sums deposited are accounted for at the end of a patient's hoapital stay; and if he will make a statement.

Mr. John Patten: Guidance on the administrative arrangements for the custody, withdrawal and disposal of money held by National Health Service hospitals on behalf of patients is contained in the "Hospital Memorandum on Patients' Moneys" (HM(71)90) supplemented by more detailed advice in a booklet "Patients' Property, Income and Allowances" which was commended to health authorities and secretaries of boards of governors on 21 September 1979. Copies of both these documents are in the Library.

We are currently preparing revised guidance for consultation.

Ambulance Provision

Mr. Pike asked the Secretary of State for Social Services if he will list in the *Official Report* by county the provision of ambulances per 10,000 population.

Mr. John Patten: Based on the latest available statistics* and in the form in which they are recorded, the total number of ambulances per 100,000 population for each ambulance service authority in England in 1982-83 is set out in the following table.

* Compiled by the York Health Authority.

Ambulance service authority	*Ambulances per 100,000 population*
Cleveland	15
Cumbria	21
Durham	18
Northumbria*	18
Humberside	19
North Yorkshire	18
West Yorkshire*	18
Derbyshire	16
Leicestershire	14
Lincolnshire	19
Nottinghamshire	14
South Yorkshire*	11
Cambridgeshire	12
Norfolk	11
Suffolk	12
Bedfordshire	14
Hertfordshire	14
Essex	11
East Sussex	13
Kent	15
Surrey	12
West Sussex	13
London ambulance service*	16
Dorset	10
Hampshire	11
Wiltshire	17
Isle of Wight	14
Berkshire	10
Buckinghamshire	13
Northamptonshire	14
Oxfordshire	11
Avon	15
Cornwall and Isles of Scilly	18
Devon	12
Gloucestershire	17
Somerset	16
Hereford and Worcester	14
Salop	20
Staffordshire	15
Warwickshire	15
West Midlands*	13
Cheshire	11
Merseyside*	13
Lancashire	16
Greater Manchester*	15

* Metropolitan service.

Supplementary Benefit

Mr. Andrew F. Bennett asked the Secretary of State for Social Services what would be the level of

supplementary benefit income disregard for those not required to register if its real value was the equivalent to November 1975.

Mr. Whitney: On the basis of the retail prices index for December 1984 the information is as follows:

	Disregard of earnings of those not required to register
	£
November 1975	4
December 1984	9·94

Hospital-based Local Pharmacopoeias

Dr. Roger Thomas asked the Secretary of State for Social Services if he will introduce an extension of the use of hospital-based local pharmacopoeias into general practice, either generally or on a pilot basis; and if he will make a statement.

Mr. Kenneth Clarke: A number of practices in general practice already have their own pharmacopoeias. We are considering commissioning research into this subject.

Tobacco Smoking

Mr. Pavitt asked the Secretary of State for Social Services how many hon. Members have written to him in connection with the information that many general practitioners are sending on the death of constituents due to tobacco smoking.

Mr. John Patten: Five.

Nurses (Education)

Mr. Pavitt asked the Secretary of State for Social Services if he will place in the Library a copy of the submission he has made to the Commission on nursing education organised by the Royal College of Nursing.

Mr. Kenneth Clarke: We have made no submission to the Commission on nursing education.

Rubella

Mr. Alfred Morris asked the Secretary of State for Social Services *(a)* what is the incidence of rubella handicapped births and *(b)* what is the rubella immunisation rate for each of the regional health authorities.

Mr. John Patten: In 1983, the latest year for which figures are available from the national congenital rubella surveillance programme, 17 children were born in England with confirmed rubella defects out of 593,255 live births. This may not be the final figure, as the condition is not always diagnosable in the first year of life.

For girls aged 14, the estimated percentage uptake rates of rubella immunisation for 1983 are as follows:

Regional Health Authority	*Estimated Percentage*
Northern	92
Yorkshire	87
Trent	89
East Anglian	83
North West Thames	82
North East Thames	78
South East Thames	75
South West Thames	86
Wessex	89
Oxford	78
South Western	81
West Midlands	85
Mersey	80
North Western	86
England	84

AIDS

Sir David Price asked the Secretary of State for Social Services what is his latest estimate of the increase in the number of people in England and Wales suffering from acquired immune deficiency syndrome; and what is his prognosis of the further spread of the disease.

Sir Kenneth Clarke: I refer my hon. Friend to my reply to my hon. Friend, the Member for Macclesfield (Mr. Winterton) on 18 January at column 222. It is too early to predict the future spread of the disease with any accuracy. We hope that the rate of increase of cases will be less than that of the United States of America because we have evidence that some people in the at risk groups have been changing their behaviour in response to the threat of the disease.

Spina Bifida

Dr. Godman asked the Secretary of State for Social Services if he will list in the *Official Report* the number of children born with spina bifida in each of the years 1978 to 1984.

Mr. John Patten: The available information is shown in the table:

Number of babies born with spina bifida 1978 to 1983
England and Wales

Year	*Number of babies*
1978	841
1979	845
1980	756
1981	633
1982	511
1983	422

Note: Figures are derived from a voluntary system of notifying congenital malformations observed at birth or up to seven days after birth and are therefore an incomplete measure of the total number of affected infants, since many are not diagnosed until after the first week of life.

Heart Transplants

Mr. Meadowcroft asked the Secretary of State for Social Services when the expert evaluation being conducted on behalf of his Department on the costs and benefits of heart transplants will be published.

Mr. Kenneth Clarke: We hope to publish in the early spring.

NHS (Central Services)

Mr. Ralph Howell asked the Secretary of State for Social Services if, in the manner of the answer to the hon.

Member for Norfolk, North of 21 December, *Official Report*, columns *412-4*, he will provide figures for expenditure by the family practitioner services, the Dental Estimates Board, the Prescription Pricing Authority and other special health authorities providing National Health Service central services for 1983-84; and if he will also publish comparable figures, at current and at 1983-84 prices, and comparable percentages for 1960 and 1970, for the above categories and those in the original answer.

Mr. Kenneth Clarke: I shall let my hon. Friend have a reply as soon as possible.

NHS (Expenditure)

Mr. Knox asked the Secretary of State for Social Services what are the Government's plans for spending on the National Health Service in England over the next three years.

Mr. Fowler: The plans contained in the 1985 public expenditure White Paper, published today as Cmnd. 9428 provide for expenditure amounting to £14·1 billion on the National Health Service in England during 1985-86. This is over £600 million more than in 1984-85. Spending is planned to rise by some £2·1 billion over the three years to 1987-88. Spending on the hospital and community health services is planned to rise by one per cent. above forecast inflation in each of the next three years in recognition of the increasing number of elderly people. We are also continuing to provide for the increased demands on the Family Practitioner Service. Details are given in chapter 3.11 of the White Paper.

Bassetlaw District Hospital

Mr. Ashton asked the Secretary of State for Social Services how many operations have had to be postponed at Bassetlaw district hospital due to a shortage of doctors; and when permission will be given to the hospital to train junior doctors.

Mr. Kenneth Clarke [*pursuant to his reply*, 21 January 1985, c. *345*]: We do not collect detailed local information on numbers of operations postponed and the reasons for their postponement. The hon. Member may wish to seek information from the chairman of Bassetlaw health authority.

The educational approval of hospital posts for the training of junior doctors is a matter for the royal colleges and not for Ministers and the Government.

Written Answers to Questions

Wednesday 23 January 1985

TRANSPORT

Civil Aircraft (Control Services)

Mr. Teddy Taylor asked the Secretary of State for Transport what steps the Civil Aviation Authority has taken in response to the recommendations of the Monopolies and Mergers Commission report on the authority's provision of navigation and air traffic control services to civil aircraft published on 9 November 1983; and if he will make a statement.

Mr. Michael Spicer: I am pleased to be able to report that the authority has made good progress in each of the main areas in which the Monopolies and Mergers Commission found scope for improving efficiency and reducing costs.

The authority has responded very positively to the recommendation that first priority should be given to the use of manpower. A field resource planning office has been established to work out ways of improving the cost-effectiveness of field staff; proposals for a revised pay and grade structure for air traffic controllers have been put to the unions; the health factors underlying the rostering of controllers have been reviewed; consultants have reported on how their utilisation might be improved; and a programme to measure staff utilisation at maintenance units has been started. Together these steps represent a sound start to the task of improving the use of staff resources.

To strengthen control of costs a director of finance for air traffic services has been appointed together with appropriate support staff, a value for money auditing team is being established and action has been taken through Eurocontrol to accelerate payments by users.

To deal with weaknesses in investment approval and project management identified by the commission, new procedures have been introduced to improve the control of work and its cost and have been embodied in a new project management manual. Formal criteria for investment appraisal are to be developed in consultation with my Department.

Progress has also been made on the maintenance of equipment and the use of modern labour-saving equipment. Staff savings have already been made through the introduction of remote control and monitoring systems. They have attracted a good deal of interest from other countries, and the authority plans to incorporate similar systems in other major installations when new equipment is installed. The authority has adopted performance indicators which compare the capacity in major parts of the air traffic control system, the actual numbers of aircraft movements, manpower and cost. While capacity and movements have increased substantially, manpower and unit costs have decreased and the authority expects this trend to contunue. The use of performance indicators as a measure of civil air traffic control service efficiency will be extended to cover all major services within the next 18 months.

The authority has put forward detailed proposals for revising and strengthening the membership and terms of reference of the Air Traffic Control Board in response to the MMC's doubts about the effects of the division of responsibility for national air traffic services between the CAA board and the MOD. These are currently under discussion with the authority.

The ultimate test of the action taken is whether or not it results in improvements in efficiency. It is too early to expect measureable improvements, but I am encouraged by the increased awareness which is evident from the response of the importance of controlling costs whilst at the same time maintaining a high standard of service and safety. The Department will be monitoring closely the progress made by the authority as part of the annual discussions of the CAA's corporate plan.

The CAA has prepared a report detailing the action taken, and I have arranged for copies of this to be placed in the Library.

Coaches (Speed Surveys)

Dr. Twinn asked the Secretary of State for Transport whether the results of the surveys of coach speeds on motorways and dual carriageways during 1984 are now available.

Mrs. Chalker: Yes, the full results will be published in a statistical bulletin next month, but the following table sets out the main figures for the 1984 surveys in comparison with those undertaken in 1983:

Observations of coach speeds 1983-84
Motorways

Date	*August 1983*	*November 1983*	*August 1984*	*November 1984*
Number of observations	130	1,163	1,933	1,054
Mean speed (mph)	66·5	62·9	63·2	63·7
Percentage exceeding 70 mph	31	24	24	26
Percentage exceeding 75 mph	na	13	12	12
85 percentile	73	73	73	73

Speeds in August and November 1984 are not significantly different. All three later surveys show a lower mean speed and a smaller proportion of coaches exceeding 70 mph than the first survey. However, the first survey results are based on a sample of only 130 observations. The 85 percentile—85 per cent. of coaches travel at a speed lower than 85 percentile—is constant.

Observations of coach speeds 1983-84
Dual carriageways

Date	*July 1983*	*November 1983*	*August 1984*	*November 1984*
Number of observations	431	—	568	346
Mean speed	53·5	—	54·4	51·7
Percentage exceeding 50 mph	64	—	76	66
Percentage exceeding 60 mph	20	—	30	19
85 percentile	61	—	63	60

The speed limit for coaches on dual carriageways was raised from 50 mph to 60 mph in March 1984. Neither the mean speed nor the 85 percentile has changed significantly between July 1983 and November 1984.

HOME DEPARTMENT

Coal Industry Dispute

Mr. John Fraser asked the Secretary of State for the Home Department what is the cost to the Metropolitan police of the supply of police to mining areas and central operations run from London in relation to policing there.

Mr. Giles Shaw: The additional cost of the aid provided last year by the Metropolitan police to other forces in connection with the miners' dispute is estimated at some £14 million, to be recovered from the aided forces. The additional cost of operating the national reporting centre at New Scotland Yard during 1984 is estimated at about £130,000.

Community Radio

Mr. Hayward asked the Secretary of State for the Home Department if he will make a statement about the development of community radio.

Mr. Brittan: Although there is as yet no precise definition of community radio, it is most commonly seen as representing a third tier of radio quite distinct from those services at present provided by the BBC and the IBA, and it describes two possible concepts. One represents the most local form of broadcasting: a low-power transmitter broadcasting to the immediate neighbourhood, with the close involvement of the community. The other is of a station broadcasting across a wider area to what is called a "community of interest", such as an ethnic minority, or the enthusiasts for a particular kind of music.

I have for some time been interested in the idea of community radio and I am anxious to provide the opportunity for its development. It has, however, been difficult to assess what scope there might be for community radio in frequency terms, in advance of the international conference held at the end of last year which planned the expansion of the VHF waveband. In the light of that conference, we now know what spectrum will be available to the United Kingdom, in what time scale, so that it will now be possible to establish what assignments could be devoted to community radio.

None the less, there remain some decisions which need to be taken, and the new frequencies will in any event not be available for some time. There will almost certainly be more would-be broadcasters than frequencies available. We shall therefore need to decide how to choose between competing applicants, and how the new stations are to be financed. We shall also have to consider what limits, if any, should be placed on what can be broadcast, and what the relationship should be with existing local radio stations.

I am firmly resolved to reach practical and positive decisions on all these matters as quickly as possible, because I believe that community radio is a constructive development which should now be given a clear impetus. Community radio will promote self-help, increase freedom of speech, and be of value to many local communities.

It is important to distinguish between community radio and the present pirate stations, which cause interference, steal news broadcasts and other copyright material, and operate in flagrant defiance of the law. The Government will continue to take action against the pirates, in order to retain control of the spectrum for licensed broadcasters. These will include, as soon as the necessary decisions can be implemented, community radio stations — perhaps starting with some experimental stations and building up as frequencies become available. But there will not be room for any community radio if the pirates have occupied all the spectrum beforehand.

I hope to make a further statement before too long in the light of our study of how the development of community radio can best be taken forward.

ENERGY

Offshore Licensing

Mr. Needham asked the Secretary of State for Energy when he expects to announce licence awards under the ninth round of offshore licensing.

Mr. Peter Walker: I am now able to announce awards for the 13 cash tender blocks applied for in the ninth round. These awards go to the highest bidder in each case and complete the cash tender part of the round. The bids total £121·3 million; the highest was £25·5 million from BP for block 15/18b. Full details are set out in a note which has today been placed in the Libraries of both Houses.

The assessment of applications for blocks in the "discretionary" part of the round is proceeding, and I hope to be able to announce awards for these in April or May.

NORTHERN IRELAND

Industrial Development Board

Mr. John David Taylor asked the Secretary of State for Northern Ireland (1) what is the total number of new jobs announced by the Industrial Development Board for the year ended 31 December 1984; and how many of these jobs will be provided by Northern Ireland firms, Great Britain's firms and foreign firms, respectively;

(2) how many new firms, based, respectively, in Northern Ireland, Great Britain and in foreign countries, announced their intention during the year ended 31 December 1984 to locate in Northern Ireland and provide employment.

Dr. Boyson: In the year ended 31 December 1984, the Industrial Development Board for Northern Ireland promoted 5,189 new jobs. These were promoted as follows:

	Number
Northern Ireland firms	1,508
Great Britain firms	1,150
Foreign firms	2,531
Total	5,189

The 1,508 new jobs promoted by Northern Ireland-owned companies involved 41 companies. Of these, six were new companies set up in Northern Ireland and the related employment was 264.

The 1,150 jobs arising from Great Britain-owned firms came from 26 companies. Of these three were new companies to Northern Ireland and the related employment was 87.

The 2,531 jobs from foreign-owned firms came from 22 companies. Of these, four were new companies to Northern Ireland and the related employment was 585.

Trainee Nurses

Mr. John David Taylor asked the Secretary of State for Northern Ireland what was the total intake of young persons as trainee nurses in each of the years 1982, 1983 and 1984; and how many came from the Republic of Ireland in each of those three years.

Mr. Chris Patten: The information is as follows:

Year ending 31 March	*1982*	*1983*	*1984*
Number of Nurse Learners entering training	1,802	1,673	1,508
Number with addresses in the Republic of Ireland	146	53	50

SCOTLAND

Police (Premature Retirement)

Mr. George Robertson asked the Secretary of State for Scotland how many police officers have submitted premature retirement applications for dates before 19 March; and what was the comparable number for the period 1 January to 19 March 1984.

Mr. Ancram: As the police pension scheme does not prescribe a normal retirement age for police officers—as distinct from a compulsory age — it is not always possible to say whether any particular application to retire is premature. Officers qualify for full pension on completion of 30 years' service, but in many cases they can retire with pension before then.

The information sought is therefore not readily available, and could be obtained only at disproportionate cost. Nor is a meaningful comparison with the period 1 January to 19 March 1984 yet possible, as only one month's notice of retirement is necessary.

Details of retirement in the precise period 1 January to 19 March 1984 are not available, as statistics are collected on a quarterly basis. In the quarter which ended on 31 March 1984, a total of 77 officers retired from forces in Scotland.

County Hospital, Stornoway

Mr. Donald Stewart asked the Secretary of State for Scotland what plans he has for replacing the County hospital, Stornoway.

Mr. Younger: My Department has under consideration proposals submitted by the Western Isles health board for the replacement of facilities currently provided both by the Lewis and County hospitals, Stornoway.

Free School Transport

Mrs. McCurley asked the Secretary of State for Scotland if he will provide details of the number of pupils for whom education authorities in Scotland provide free school transport.

Mr. Younger: The information from the survey of school transport undertaken in September 1984 is as follows:

	Pupils attending primary schools	*Pupils attending secondary schools*	*Pupils attending special schools or classes*	*Total pupils*
Free transport provided under section 50 of the Education (Scotland) Act 1980	37,697	106,844	9,401	153,942
Free transport provided in spare seats under section 51(2) of the Education (Scotland) Act 1980	3,167	1,454	127	4,748
Scotland total	40,864	108,298	9,528	158,690

I have arranged for a copy of the return from each authority to be placed in the Library.

EMPLOYMENT

Methyl Isocyanate

Mr. Kilroy-Silk asked the Secretary of State for Employment if he will estimate the effect on an unprotected and unprepared civilian population of the accidental discharge of 10 gallons of methyl isocyanate.

Mr. Peter Bottomley: Accidental discharges of materials will have different effects according to circumstances. I am advised by the Health and Safety Executive, on the basis of theoretical calculations, that a spillage of 10 gallons of liquid methyl isocyanate in typical British day-time weather might form a pool which would evaporate in about a quarter of an hour if no emergency action were taken. The vapour would be blown downwind as a narrow plume. For a spill of the size envisaged here, the area affected would be small. People who were out of doors would experience irritation of eyes and mucous membranes at distances out to about 200 metres from the spill. Close to the source, serious injuries could result, although people would probably escape by going indoors or walking out of the plume. People indoors would receive considerable protection. Less favourable weather conditions could increase the hazard range, but such conditions are less likely.

Youth Training

Mr. Gordon Brown asked the Secretary of State for Employment how many young people left youth training schemes before the completion of their first year training in *(a)* the first six months of 1984 and *(b)* the second six months of 1984

Mr. Peter Morrison [*pursuant to his reply*, 14 January 1985, c. *36*]: Final figures for 1984 are not yet available. However, it is provisionally estimated that there were about 85,000 young people who left the youth training scheme four weeks or more before their expected completion date in the first half of 1984—not including "early leavers" from Construction Industry Training Board schemes between January and March 1984—and about 95,000 such "early leavers" between July and December 1984. These provisional estimates will be subject to upward revision once further information becomes available after the end of the financial year.

A sample survey of young people who left the scheme between April and July, which included a majority of "early leavers" among those who responded, showed that almost 60 per cent. had gone into jobs.

Mr. Sheerman asked the Secretary of State for Employment how many young people were in training on the youth training scheme at the end of each month from April 1983 to August 1984, by mode; and how many young people were in training *(a)* on current year schemes and *(b)* on previous year schemes at the end of each month from September 1984 to the latest available month, also by mode.

Mr. Peter Morrison [*pursuant to his reply*, 21 January 1985, c. *285*]: The information requested is given in the tables:

Table 1
Numbers in training on the Young Training Scheme, by mode, in Great Britain: April 1983—August 1984

Position at end of month	*Mode A*	*Mode B1*	*Mode B2*	*Total*
1983				
April	443	1,779	368	2,590
May	1,071	5,537	530	7,138
June	6,587	13,491	1,247	21,325
July	21,033	23,535	1,824	46,392
August	50,622	32,301	3,580	86,503
September	115,319	43,675	13,509	172,503
October	163,410	49,444	17,628	230,482
November	179,683	51,609	18,891	250,183
December	183,314	54,321	18,898	256,533
1984				
January	185,767	55,459	18,892	260,118
February	185,465	55,319	18,498	259,282
March	180,758	53,329	17,429	251,516
April	172,903	52,838	16,752	242,493
May	169,048	53,505	15,530	238,083
June	176,320	58,428	15,179	249,927
July	205,014	63,197	14,940	283,151
August	214,003	64,387	13,658	292,048

Note:
Figures from April 1984 onwards are derived from a computer-based count and are not strictly comparable with the earlier figures, which were taken from a manual-based management information system. All these figures are subject to later updating.

Table 2
Numbers in training on the Youth Training Scheme, by mode, in Great Britain: September-December 1984

Numbers in training on	*Mode A*	*Mode B1*	*Mode B2*	*Total*
28 September				
Current Year Schemes	134,658	39,722	6,233	180,613
Previous Year Schemes	84,220	25,425	7,476	117,121
2 November				
Current Year Schemes	181,587	46,594	10,023	238,204
Previous Year Schemes	52,044	18,081	4,503	74,628
30 November				
Current Year Scheme	198,440	49,469	10,981	258,890
Previous Year Schemes	35,588	13,608	2,946	52,142
28 December				
Current Year Schemes	203,233	50,344	11,395	264,972
Previous Year Schemes	27,257	10,984	2,162	40,403

Notes:
1. These figures may be subject to later updating.
2. The normal end of month statistics of youngsters in training (which are given in table 1) do not distinguish between those on current year schemes and those on previous year schemes. The figures provided in table 2 relate to slightly different dates and are not strictly comparable with the figures provided in table 2.

ENVIRONMENT

Urban Development and Derelict Land Grants

Mr. Heddle asked the Secretary of State for the Environment if he will publish in the *Official Report* the full amounts paid to each local authority in England for each year since inception of *(a)* urban development grants and *(b)* derelict land grants.

Mr. Macfarlane: I shall write to my hon. Friend.

GLC (Mortgages)

Mr. Heddle asked the Secretary of State for the Environment what is the total sum now outstanding and owed to the Greater London council under mortgage arrangements; and how many such mortgages are at rates of interest currently above the prevailing average building society rate.

Sir George Young: Figures taken from the draft 1985-86 GLC budget document suggest that at 31 July 1984 the council had outstanding debts totalling £306 million secured on 55,000 home loan mortgages. Of these, 29,500 were at fixed rates of interest which can be assumed to be below the rates currently being charged by building societies. 23,500 were subject to interest rates variable at the council's discretion. A further 2,000 were subject to the requirements on rates of interest in section 110 of the Housing Act 1980. Broadly, this would require the rates to be at the higher of the council's average borrowing costs plus ¼per cent. or the standard national rate of interest set by my right hon. Friend. That is currently 11⅝ per cent., in line with the average basic rate charged by building societies from 1 December 1984, but is subject to adjustment in the light of changes in building society interest rates. I regret that more recent information is not available. The GLC may be able to assist my hon. Friend if he requires more information.

Local Authority Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for the Environment if he will list for each year since 1981 and for each metropolitan district council in Greater Manchester *(a)* its maximum expenditure entitlement under section 137 of the Local Government Act 1972 and

(b) the amount spent under section 137 upon (i) measures designed to alleviate unemployment, (ii) economic development initiatives and (iii) grants or other financial support to registered charities in its area to match the existing provision for voluntary bodies.

Mr. Waldegrave: *On the basis of information* provided by the local authorities concerned, the maximum expenditure entitlement under section 137 of the Local Government Act 1972 for the metropolitan district councils in Greater Manchester was as follows:

	£000 1981-82	£000 1982-83	£000 1983-84	£000 1984-85
Bolton	993·178	881·248	883·226	869·242
Bury	652·020	601·926	594·130	587·292
Manchester	2,016·040	1,686·470	1,624·988	1,570·404
Oldham	804·704	742·652	738·696	721·698
Rochdale	776·258	709·000	682·472	680·048
Salford	1,135·246	1,013·098	979·632	933·580
Stockport	1,041·594	976·514	963·574	965·576
Tameside	777·836	724·944	728·974	713·020
Trafford	793·526	739·436	742·758	745·814
Wigan	1,116·894	1,026·042	1,016·000	1,007·426

Information on expenditure on the particular measures mentioned is not collected centrally.

Nuclear Waste

Mr. Skeet asked the Secretary of State for the Environment what research is being conducted through the Atomic Energy Authority on the longer-term problems of the disposal of nuclear waste.

Mr. Waldegrave: The Atomic Energy Authority is investigating the corrosion rate of waste containers and methods to contain any released radioactivity within the construction materials of a disposal facility. It also has in hand research into the possibilities for migration of radionuclides in groundwater moving through geological strata.

Mr. John M. Taylor asked the Secretary of State for the Environment if the Government have submitted their report to the Paris commission outlining measures being taken to meet the commission's recommendations that the best available technology should be taken account of at nuclear reprocessing plants in order to minimise radioactive discharges to the marine environment.

Mr. Waldegrave: A report by the United Kingdom was submitted to the Paris commission on 27 December. I have placed copies in the Library of the House.

PRIME MINISTER

Plutonium

Mr. George Robertson asked the Prime Minister if any plutonium produced by British civil reactors is being used in the United Kingdom nuclear weapons programme.

The Prime Minister: Plutonium from CEGB and SSEB power stations is not used for nuclear weapons.

Safety Standards

Mr. Alfred Morris asked the Prime Minister what arrangements exist in the nationalised industries, consequent upon the repeal of the fair wages clause, for the trade unions to be consulted about the maintenance by contractors employed by the industries of the safety standards established by the industries themselves; and whether there is provision for requiring the observance of terms and conditions of employment recommended by the relevant trade associations.

The Prime Minister: The fair wages resolution applied to Government Departments only. However, many nationalised industries included in their contracts fair wages clauses similar to those of the resolution. The resolution did not apply to safety standards. The responsibilities of employers to consult on matters of safety are laid out in the Safety Representatives and Safety Committees Regulations 1977 and in section 2 of the Health and Safety at Work etc Act 1974. Arrangements in the nationalised industries for negotiating terms and conditions with subcontractors, including trade union consultation, are matters for the managements of the industries themselves.

Local Authorities (Government Grants)

Mr. Favell asked the Prime Minister how much has been paid by central Government in grants and subsidies for which local authorities are the ultimate recipients, showing separately *(a)* rate support grants, *(b)* rent and rate rebates and housing benefit, *(c)* housing subsidies and *(d)* any other grants or subsidies, divided by category for each year from 1978-79 to 1984-85, giving the figures both in cash terms and expressed at current prices; and if she will provide similar data in respect of each individual metropolitan county council and each of the metropolitan borough councils within their areas.

The Prime Minister: I shall reply to my hon. Friend shortly.

TRADE AND INDUSTRY

Local Enterprise Week

Mr. Murphy asked the Secretary of State for Trade and Industry when the Government intend to hold Local Enterprise Week in 1985.

Mr. Trippier: Local Enterprise Week 1985 will be held from Wednesday 15 May to Friday 24 May.

Independent Cinemas (Access to Films)

Mr. Pendry asked the Secretary of State for Trade and Industry if he is now in a position to make a statement on the recommendation of the Monopolies and Mergers Commission report, Cmnd. 8858, in relation to a limited

experiment in Glasgow and Manchester for the independent cinemas in those cities to be afforded the same rights of access to films as EMI and Rank.

Mr. Fletcher: Yes. Following a period of consultation after the publication of the report, I announced that I had asked the Director General of Fair Trading as an initial step to arrange for an experimental regime based on the Commission's recommendation on barring and a four-week limit to delays in the release of popular films, to be applied in selected locations, and to report back to me. As I said in answer to the hon. Member on 26 November 1984, the Director General encountered difficulties in setting up the experiment and I have been considering the position. I have held a number of meetings with representatives of exhibitors and distributors, and I am pleased to say that all have agreed in principle to give undertakings to participate in the experiment. The Government remain committed to this course, and we intend to finalise details shortly to enable the Director General to proceed with the experiment as soon as possible.

Manufactured Exports

Mr. Willie W. Hamilton asked the Secretary of State for Trade and Industry what was the total value of Scottish manufactured exports, at constant 1980 prices, in each year since 1978; and what were the comparable figures for the United Kingdom as a whole over the same period.

Mr. Channon: The information requested is not available. Estimates of the value of exports through Scottish ports can be found in the "Scottish Economic Bulletin." More rigorous estimates of Scottish manufactured exports, for 1979 only, are given in the "Scottish Input/Output tables for 1979", a copy of which is available in the House of Commons Library.

Technology Transfers

Mr. Batiste asked the Secretary of State for Trade and Industry whether he has now prepared and submitted Her Majesty's Government's response to the request by the European Commission for information on United States' measures to restrict technology transfers.

Mr. Channon: Yes.

Coal Industry Dispute

Mr. Cohen asked the Secretary of State for Trade and Industry if he has any information as to the additional costs incurred by the British Steel Corporation to date arising from the strike in the mining industry; and if he will make a statement.

Mr. Norman Lamont: BSC's interim results for the half year ended 29 September 1984 show the effect of the miners' strike to be about £3·6 million per week. I understand tht costs have since then been running at around the same weekly rate.

Computer Translation (Esperanto)

Mr. Hoyle asked the Secretary of State for Trade and Industry what action the Government are taking on research into computer translation through the use of Esperanto following the study and reports made by the European Economic Community Commission.

Mr. Butcher [*pursuant to the reply*, 22 January 1985; c. *370*]: We are taking no action following this study. The European Commission has itself decided not to pursue this work any further. We are, however, very aware of the importance of promoting developments in machine translation and are supporting the Commission in its work with the Systran system and research in the Eurotra project.

Accounting Documents (Statutory Audits)

Mr. Grylls asked the Secretary of State for Trade and Industry if he will explain more fully the meaning of the words professional integrity in article 23 of the EEC eighth directive of 10 April 1984 on approval of persons responsible for carrying out the statutory audits of accounting documents; and whether these words include professional competence.

Mr. Fletcher [*pursuant to the reply*, 22 January 1985; c. *370*]: This directive is Community law, and its interpretation must ultimately be a matter for the courts.

EDUCATION AND SCIENCE

Teachers (Assaults)

Mr. Cartwright asked the Secretary of State for Education and Science how many cases of assaults on teachers by pupils in *(a)* secondary and *(b)* primary schools have been recorded during each of the past 10 years for which figures are available; and how many of these resulted in legal action.

Mr. Dunn: This information is not collected centrally.

Mr. Cartwright asked the Secretary of State for Education and Science (1) what recent representations he has received about the incidence of assaults on teachers by pupils; and what reply he has given;

(2) whether he plans any initiatives to reduce the incidence of assaults on teachers by pupils.

Mr. Dunn: While my right hon. Friend has received many recent representations about school discipline in general and corporal punishment in particular, very few have referred specifically to assaults on teachers. The Government deplore all physical attacks on teachers, but responsibility must be with local education authorities and schools which are in a position to take firm action swiftly.

CIVIL SERVICE

GCHQ, Cheltenham

Mr. Dalyell asked the Minister for the Civil Service if, when he next meets the First Division Association, he will discuss the Civil Service-wide implications of the withdrawal of trade union rights from GCHQ, Cheltenham.

Mr. Hayhoe: I have no plans to meet the First Division Association. I am always willing to consider representations made by trade unions on Civil Service-wide matters. If and when a meeting does take place which touches on this question, I shall reiterate what has repeatedly been made clear: that it is emphatically not the Government's intention to extend the measures in force at GCHQ beyond those agencies whose primary functions are concerned with security and intelligence.

OVERSEAS DEVELOPMENT

Palestinian Organisations

Mr. Faulds asked the Secretary of State for Foreign and Commonwealth Affairs whether any official British aid was given to organisations working on behalf of Palestinian organisations, wherever located, in the years 1979 to 1983.

Mr. Raison: Our aid is designed to benefit Palestinians who need assistance. None goes directly to Palestinianorganisations. Our chief contributions to Palestinian welfare have been indirect, through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), to which we are one of the largest contributors; through the European Community; and through British voluntary agencies working with Palestinians for their welfare and development.

Middle East

Mr. Faulds asked the Secretary of State for Foreign and Commonwealth Affairs what official aid has been given by the United Kingdom to *(a)* individual members of the Arab League, and Egypt and *(b)* non-Arab members of the Islamic Conference Organisation in each year from 1979 to 1983.

Mr. Raison: Official aid was as follows:

1. Members of the League of Arab States

£ thousand

	1979	*1980*	*1981*	*1982*	*1983*
Algeria	53	334	—	5	38
Bahrain	348	3	—	—	—
Djibouti	—	—	10	4	*3
Iraq	8	—	—	—	—
Jordan	13,618	4,682	7,086	3,308	2,747
Kuwait	—	—	—	—	—
Lebanon	323	56	142	1,436	20
Libya	—	—	—	—	—
Mauritania	42	43	369	48	1,029
Morocco	34	68	12,419	3,778	100
Oman	246	384	452	663	641
Qatar	—	—	—	—	—
Saudi Arabia	7	1	—	—	—
Somalia	1,311	2,806	2,441	2,528	2,486
Sudan	14,199	22,576	32,672	39,417	32,194
Syria	119	308	456	443	1,748
Tunisia	81	70	82	723	122
United Arab Emirates	7	—	—	—	—
Yemen Arab Republic	1,805	2,725	2,540	2,842	3,756
Yemen, Peoples Democratic Republic	1,665	1,335	1,835	855	798
Sub-total	33,782	35,391	60,504	56,050	45,682
Egypt	17,816	12,246	8,124	7,478	10,573
Total	51,598	47,637	68,628	63,528	56,255

2. Non-Arab members of the Organisation of the Islamic Conference

£ thousand

	1979	*1980*	*1981*	*1982*	*1983*
Afghanistan	1,372	668	43	30	192
Bangladesh	33,821	66,190	33,383	23,537	24,728
Benin	52	64	50	27	77
Bourkina Faso (formerly Upper Volta)	24	96	35	25	82
Brunei	12	12	11	9	8
Cameroon	1,125	5,151	3,543	3,132	3,142
Chad	45	26	35	360	156
Comoros	—	—	—	—	—
Gabon	—	—	5	5	19
Gambia	2,796	2,270	2,321	2,480	2,400
Guinea	—	—	7	66	61
Guinea-Bissau	173	56	739	244	105
Indonesia	13,144	11,190	15,350	17,219	12,358
Iran	28	10	20	—	—
Malaysia	1,638	10,547	10,124	6,381	3,872
Maldives	30	92	461	312	500
Mali	489	232	281	110	190
Niger	912	39	37	62	72
Pakistan	27,699	22,245	24,613	18,738	16,612
Senegal	980	213	255	517	416
Sierra Leone	3,283	2,843	3,165	3,833	3,199
Turkey	4,252	8,035	32,109	16,882	5,398
Uganda	2,212	2,875	15,078	10,647	6,109
Total	94,087	132,854	141,665	104,616	79,696

Mr. Faulds asked the Secretary of State for Foreign and Commonwealth Affairs what amount of official British aid was channelled through United Nations organisations to projects in the West Bank or Gaza strip, or in Palestinian refugee camps in other areas in each year from 1979 to 1983.

Mr. Raison: The United Kingdom makes voluntary contributions towards the general costs of the United Nations Relief and Works Agency for Palestinian Refugees in the near East. For the years in question these were:

	£ million
1979	4·4
1980	4·5
1981	5·0
1982	*5·0
1983	5·0

* Includes £1·0 million in food aid.

Projects for the support of Palestinian refugees are also financed from the budgets of UNESCO and UNICEF, to which we contribute.

Falkland Islands

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what has been the cost to date of official visits to provide guidance to the Falkland Islands Government as to how they might develop educational and medical centres.

Mr. Raison: The estimated cost since late 1982 to date is about £24,000.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what is the latest figure for the cost of his proposal to expand the grassland trial unit, now known as the Falkland Islands agricultural research and development centre;

(2) how much Her Majesty's Government spend and intend to spend on identifying research, and developing and refining methods for the greater production of wool by developing new sheep farming systems in the Falklands;

(3) what decision has been made on the proposal to expand the Falkland Islands agricultural research and development centre.

Mr. Raison: As explained in my reply to the hon. Member on 23 July last, at column *477*, £2·5 million has been allocated for the expansion and operation of the agricultural research centre, formerly known as the Falkland Islands agricultural research and development centre, over the next five years. The primary objective of

the ARC is to identify and develop methods aimed at an increased production of wool through improved nutrition, animal health, husbandry and management.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what loans have now been proposed to encourage small-scale development projects for agricultural improvements in the Falklands.

Mr. Raison: The Falkland Islands Development Corporation has approved loans for equipment for the bakery in Stanley, the establishment of a dairy, a snack bar, and an electrical contracting business. Proposals for the establishment of a dry-cleaning business, market gardening, tannery and skin processing and the development of tourism are under consideration.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what amount of loan he has now been paid for the wool mill at Fox Bay East in the Falklands.

Mr. Raison: The full amount of £130,000 has now been made available.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what assessment is made of the visit to the Falklands by a forestry consultant; and what study is being made of his report;

(2) what consideration Her Majesty's Government have given to the report of the forestry consultant who visited the Falkland Islands in September 1983.

Mr. Raison: The report has been considered carefully by the Falkland Islands Government, who have decided that implementation of the proposals should be deferred for the time being on the grounds of cost and the uncertain benefits compared with other priorities for spending in the agricultural sector. The recommendations will be kept under review by the agricultural research centre and the Falkland Islands Development Corporation.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what is the estimated cost to date for 1984-85 of the expatriate officers in the Falklands.

Mr. Raison: The estimated cost to end December 1984 is £720,000.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what is his latest estimate of the cost of plans to improve telecommunications in the Falklands; and if he will make a statement on the consultant's report on this matter.

Mr. Raison: The estimated capital cost of implementing the recommendations made by the consultants is £785,000. This includes the provision of a new automatic telephone exchange and distribution network in Stanley and improved communication links with outlying settlements.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what action is being taken to improve water and power supplies in the Falklands; and at what cost;

(2) what consideration he is giving to the reports of feasibility studies on future long-term power and water requirements in the Falklands.

Mr. Raison: Consultants have reported on the long-term power and water requirements in Stanley. A project to improve power supplies, including additional generating capacity and an improved distribution system, is being undertaken at an estimated cost of £2·9 million. A project to improve the water supply is in preparation. The cost is likely to be about £3 million.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the amount spent so far of the £31 million made available over six years for longer-term economic development of the Falklands.

Mr. Raison: Cumulative expenditure at the end of December was £3·8 million.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what is the cost to Her Majesty's Government of timber prefabricated houses from Sweden erected in the Falkland Islands;

(2) what is now the completion cost of Brewster houses in Port Stanley; and how much in excess of the tender this is;

(3) what is the latest cost estimate of the 54 Brewster homes on the Falklands.

Mr. Raison: I have nothing to add to the reply which I gave to the hon. Member on 14 January at column *19*.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs at what total cost to date Her Majesty's Government have provided fuel, plant, tools, building materials and equipment to the Falkland Islands Government Public Works Department.

Mr. Raison: The cost of providing these items was £2·146 million.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what was the cost of the feasibility study on an improved harbour complex in the Falklands, including a new deep water jetty.

Mr. Raison: The final cost is not yet known as the study is still in progress. Expenditure to date is £53,942.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) how many kilometres of road have now been completed in Port Stanley town and at what cost, broken down into plant, materials, contractors' camp, freight, insurance, management, local costs, and other items;

(2) what has been the cost so far of the repair of roads in Port Stanley and the road to the Port Stanley airport.

Mr. Raison: As explained in my reply to the hon. Member on 23 July 1984, at column *475*, 11·1 km of roads have been repaired or reconstructed—4·8 km Stanley town roads and 6·3 km airport road. A total of £6·8 million was allocated, including provision for a stone crusher which was not, in the event, used on this project but transferred elsewhere. Estimated expenditure is £6·3 million made up as follows:

	£ thousand
Capital items, plant and spares	1,377
Materials	301
Camp accommodation and equipment	532
Procurement, shipping and insurance	929
Labour and messing	2,348
Management fee	391

	£ thousand
Local costs	389
	6,267

Of this, £3·2 million was for Stanley town roads, £2·9 million for the airport road and £200,000 for minor tasks on behalf of, or materials handed over to, the Public Works Department.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what has been the availability of the hostel for school children in Port Stanley;

(2) what is the cost in 1984-85 of providing permanent boarding school facilities for secondary school children in Port Stanley.

Mr. Raison: At present 18 girls are accommodated in Stanley House and 24 boys in mobile homes in its grounds at an estimated cost to the Falkland Islands Government of £94,280 in 1984-85. Two dormitory blocks are now being erected in the grounds of Stanley House which when completed, will accommodate a total of 84, meeting all the expected demand for boarding facilities. The present estimated cost of the new dormitories is £925,000.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what grants have now been paid for a small scale industrial estate in Port Stanley.

Mr. Raison: Expenditure to date is £26,222.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what has been the cost so far of the repair and replacement of damaged housing in Port Stanley.

Mr. Raison: As explained in my reply to the hon. Member on 23 July 1984, at column *476*, it is not possible to give a precise figure because the information available cannot be broken down in sufficient detail. Excluding the cost of the prefabricated housing project, part of which was to replace housing destroyed during the conflict in 1982, £360,000 has been spent on repairs to housing.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what has been the payment to James Brewster Associates in relation to their claims for extra costs for Brewster houses in Port Stanley caused by delays in shipping and port handling.

Mr. Raison: Delay claims settled to date total £370,194.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs (1) what is the current rate of occupation for Brewster houses in Port Stanley;

(2) how many Brewster houses on the Falklands are currently unoccupied;

(3) when he hopes to complete sewerage, water and electrical services to make all the Brewster houses in Port Stanley habitable.

Mr. Raison: I have nothing to add to the reply which I gave the hon. Member on 14 January at column *19*.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what safety inspection has been undertaken of Stanley House schoolboys' hostel and its electric wiring.

Mr. Raison: As explained in my reply to the hon. Member on 23 July last, at column *476*, Stanley House was rewired in 1981 and, in accordance with the standard procedure of the Institute of Elctrical Engineers, it would not be due for a complete inspection for five years. However, the kitchem was rewired in March 1983 when new equipment was installed and regular examination of wiring is carried out.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs whether there are now fire hydrants at Stanley House schoolboys' hostel.

Mr. Raison: There is little to add to my reply to the hon. Member on 23 July last, at column *476*. There are no fire hydrants in or immediately adjacent to the building, but there are hydrants in streets bordering the plot. There are five extinguishers in Stanley House itself and in every mobile home in the grounds, as well as automatic smoke detectors. There are fire alarm hand bells in Stanley House and in the area adjacent to the mobile homes and fire drills are practised regularly.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs how many of Port Stanley's central roads still need repair.

Mr. Raison: As explained in my reply to the hon. Member on 23 July last at column *43*, it is estimated that within Stanley town boundaries 3·25 km of surfaced roads require reconstruction or less major patch and fill repairs; and that a further 3·85 km of unsurfaced roads require surfacing.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs whether he is satisfied with concrete surfaces on Port Stanley roads.

Mr. Raison: As explained in my reply to the hon. Member on 2 July last, at column *43*, 2·285 km of roads in Stanley have been reconstructed in concrete. The surfaces are, I believe, considered satisfactory.

Ethiopia and Sudan (Famine Relief)

Sir David Price asked the Secretary of State for Foreign and Commonwealth Affairs what is his latest estimate to the respective contributions of the United Kingdom and of the European Economic Community towards the relief of famine in Ethiopia and in the Sudan; and how they compare with the contributions of the United States of America and the Union of Soviet Socialist Republics, respectively.

Mr. Raison: The United Kingdom's bilateral aid and aid made available by member states through the European Community towards the relief of famine in Ethiopia and Sudan have been as follows:

		Two years to September 1984 (£ million)	*Since October 1984 (£ Million)*
United Kingdom bilateral aid	Ethiopia	7·7	9·4
	Sudan	*—	4·258
European Community†	Ethiopia	24·3	34·4
	Sudan	1·6	10·1

* Sudan has been a major recipient of British bilateral aid for some years; but it was only in the latter part of 1984 that the failure of the

harvest, coupled with influxes of refugees from Ethiopia and Chad, resulted in serious food shortages and the need for relief aid.

† This excludes aid made available bilaterally by the member states of the European Community.

We do not have comparable figures for contributions made by the United States. But the following sums provided and planned in relief aid for the US have been reported.

	October 1983-September 1984 (US $ million)	*(£ million)*	*October 1984-September 1985 (US $ million)*	*(£ million)**
Ethiopia	16·894	12·069	141·021	117·5
Sudan	36·456	26·044	91·424	76·2

* Converted at the rate of £=$1.20.

We have no figures for relief aid provided by the Soviet Union. The official Soviet newsagency has claimed that substantial relief aid was provided to Ethiopia in the form of food, medicine and transport supplies.

We have no information about any Soviet relief aid to Sudan.

WALES

Water Authorities

Mr. Mason asked the Secretary of State for Wales (1) if he will seek a report from the Welsh water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(2) how much of the net total expenditure of the Welsh water authority was spent on maintaining, improving and developing fisheries in pursuance of its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975 in the last year for which figures are available; and if he will make a statement.

Mr. Nicholas Edwards: The Welsh water authority reports annually to Ministers on the discharge of its statutory functions, including fisheries, and its expenditure. These reports are laid before Parliament in October each year. The report for the year ended 31 March 1984 indicates that out of £112·745 million in total operating expenditure £1·378 million was spent on fisheries.

Mr. Mason asked the Secretary of State for Wales what steps is he taking in association with the Welsh water authority to combat poaching on the River Usk and in the estuary; and if he will make a statement.

Mr. Nicholas Edwards: Combating illegal fishing on the River Usk and in its estuary is the responsibility of the Welsh water authority. The river and estuary are patrolled by six of the authority's bailiffs, suitably equipped for the task. There are also eight honorary bailiffs recruited from fishery interests in the area, to assist with routine enforcement duties.

Mr. Mason asked the Secretary of State for Wales if he is satisfied that financial restrictions on Welsh water authority expenditure are not impeding the discharge of its statutory duties to protect fishing waters against salmon poachers and that the authority has sufficient finance to carry out its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement.

Mr. Nicholas Edwards: I am satisfied that the Welsh water authority has access to sufficient financial resources to undertake its fisheries functions and carry out its statutory obligations.

River Usk (Poaching)

Mr. Mason asked the Secretary of State for Wales if he will list the number of convictions for offences relating to salmon and trout poaching on the River Usk and estuary in each of the last five years; and what penalties were imposed.

Mr. Nicholas Edwards: The information requested is as follows:

Year	*Location*	*Convictions*	*Penalties*	*Defendants*
1980	River	22	£1.145 fines	Not known
	Estuary	0		
1981	River	37	£1,150 fines	14
	Estuary	6	£250 fines	2
1982	River	26	£535 fines	15
	Estuary	3	£200 and confiscation of nets and two months sentence suspended one year for each defendant	3
1983	River	7	£375 fines	3
	Estuary	0		
1984	River	8	£210 fines	1
	Estuary	2	Four months suspended for two years each defendant. A subsequent prosecution was taken by the police for the theft of the poacher's boat whilst in water authority custody	2

Mr. Mason asked the Secretary of State for Wales what information he has as to the trend in the level of poaching on the River Usk and estuary; from what organisation she has received information; whether the Welsh water authority has increased protection of its fisheries in recent times under section 28 of the Salmon and Freshwater Fisheries Act; and if he will make a statement.

Mr. Nicholas Edwards: Although there is no objective measure of the trend in poaching levels, I am advised that

illegal fishing activity may have passed its peak in recent years. Information has been provided by the Welsh water authority. The Merthyr Tydfil angling association and some individuals have also submitted their views on fish stocks in the River Usk. Some increase in the protection of fisheries has been achieved through the introduction by the Welsh water authority of new techniques to combat poaching.

Limb Appliance Centre (Bangor)

Mr. Wigley asked the Secretary of State for Wales what representations he has received advocating a limb appliance centre at Bangor.

Mr. Wyn Roberts: Various individuals and organisations have from time to time argued the case for an artificial limb and appliance centre to be located somewhere in north Wales. This case will be considered fully as part of our Department's general review of regional health services in north Wales.

Labour Statistics

Mr. Wigley asked the Secretary of State for Wales if he will publish a table showing for the most recently available date the notified vacancies for each employment exchange area in Wales.

Mr. Nicholas Edwards: Numbers of notified vacancies at jobcentres, careers offices and professional executive recruitment in Wales are published monthly. The latest available figures published on 3 January are as follows:

	Jobcentre	*Careers Office*
Aberdare	59	1
Abergavenny	63	—
Abertillery	61	5
Aberystwyth	121	5
Amlwch	10	—
Ammanford	39	0
Bangor	84	0
Bargoed	36	—
Barmouth/Dolgellau	17	3
Barry	61	1
Beaumaris	0	—
Blackwood	37	3
Blaenau Ffestiniog	5	—
Blaenavon	0	—
Brecon	39	3
Bridgend	122	4
Brynmawr	24	—
Caernarfon	77	2
Caerphilly	132	0
Cardiff	739	11
Cardigan	34	—
Carmarthen	123	1
Cefn Mawr/Acrefair	19	0
Chepstow	88	—
Colwyn Bay	94	3
Conwy	21	6
Cwmbran	237	—
Cymmer	0	—
Denbigh	35	—
Ebbw Vale	41	—
Ferndale	0	—
Fishguard	12	—
Flint	29	0
Garnant	9	—
Gorseinon	62	1
Haverfordwest	44	2
Holyhead	32	1
Holywell	31	0
Kidwelly	0	—
Lampeter	25	—
Llandeile	53	—
Llandrindod Wells	58	5
Llandudno	19	—
Llandyssul	17	—
Llanelli	153	7
Llangefni	40	—
Llangollen	27	—
Llanrwst	28	—
Llantrisant	53	—
Llantwit Major	43	—
Machynlleth	7	—
Maesteg	21	—
Merthyr Tydfil	109	1
Milford Haven	50	—
Mold	71	1
Monmouth	61	—
Morriston	136	0
Neath	124	0
Newbridge	17	—
Newport	303	3
Newtown	67	10
Pembroke Dock	31	2
Penarth	41	—
Penygraes	0	—
Pontardawe	14	—
Pontlottyn	15	—
Pontypool/Usk	78	8
Pontypridd	112	0
Porthcawl	21	—
Porthmadog	24	—
Port Talbot	214	2
Pwllheli	19	2
Resolven	0	—
Rhyl	115	4
Risca/Cross Keys	29	2
Shotton	90	2
Swansea	416	0
Tenby	29	—
Tonypandy	112	0
Tonyrefail	7	—
Tredegar	28	—
Treharris	0	—
Treorchy	43	—
Tumble	21	—
Tywyn	0	—
Welshpool	38	—
Wrexham	348	2
Ystrad Mynach	40	—
Ystradgynlais	13	—
Cardiff PER	113	
Swansea PER	76	
Wrexham PER	190	
WALES TOTAL	6,396	103

Higher Education

Mr. Raffan asked the Secretary of State for Wales if he is able to announce his decisions on local authority higher education provision in 1985-86; and if he will make a statement.

Mr. Nicholas Edwards: Having consulted the Welsh Joint Education Committee and the Welsh Counties Committee I have decided that the advanced further education quantum for 1985-86 should be set at £28·5 million. This represents a 6·75 per cent. increase between 1984-85 and 1985-86 when allowance is made for the abolition of the national insurance surcharge.

I have received advice from the Wales Advisory Body on the planned disposition of academic provision and of students in local authority higher education. The WAB proposals provide for growth in student numbers in Wales in 1985-86, but with a shift of emphasis towards science, engineering and other vocational disciplines. The proposals include safeguards for sub-degree and part-time courses. WAB has also provided advice on how the AFE quantum of £28·5 million should be distributed between local authorities and I have consulted the WJEC and the WCC on this also. The recommendations put forward by WAB are the result of a planning exercise, which involved consultations with individual local authorities and their higher education establishments about their present and planned provision, and consideration of how local authority higher education in Wales as a whole should be developed. The proposals for distributing the quantum are relatedd to the proposals for target student numbers for 1985-86 by institution, mode of attendance and subject. The method of allocation proposed will put pressure on high-spending institutions to become more cost-effective but will also protect institutions against unacceptably large reductions in their funding between 1984-85 and 1985-86.

I have decided to accept the WAB's advice on academic provision and student numbers and on the distribution of the quantum. Local education authorities have been informed of this decision and of their individual allocations.

Copies of a note explaining the method by which the AFE quantum for 1985-86 have been placed in the Libraries of both Houses.

FOREIGN AND COMMONWEALTH AFFAIRS

Turkey

4. **Mr. Boyes** asked the Secretary of State for Foreign and Commonwealth Affairs if he has had any recent discussions with the Turkish Foreign Secretary about human rights in Turkey.

Mr. Renton: We remain in close touch with the Turkish authorities about a range of issues, including human rights. They can be in no doubt as to our opinions. My right hon. and learned Friend last spoke to the Turkish Foreign Minister on this subject last May and will visit Turkey from 11 to 13 of February.

Mr. Yasser Arafat

13. **Mr. Weetch** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to meet Mr. Yasser Arafat.

Mr. Luce: My right hon. and learned Friend has no plans to do so.

Poland

14. **Mr. Greenway** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of Anglo-Polish relations.

Mr. Rifkind: My visit to Poland last November marked the resumption of our bilateral relations at ministerial level. My right hon. and learned Friend will continue this process by visiting Poland from 11 to 13 April.

Our aim is to return to a more normal bilateral relationship and to encourage the process of reconciliation in Poland.

Soviet Union

15. **Mr. Hayes** asked the Secretary of State for Foreign and Commonwealth Affairs what plans the Government have to develop and improve Anglo-Soviet relations.

Sir Geoffrey Howe: We are continuing to develop contacts at all levels with the Soviet Union, and to work generally for better relations between East and West. Mr. Gromyko has accepted my invitation to visit London this year, and my hon. Friend the Member for Edinburgh, Pentlands (Mr. Rifkind) will expect to visit Moscow in return for the visit of Mr. Kornienko to London in 1984. My hon. Friend the Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food will be visiting Moscow in February to open the British Agro-Industrial Exhibition. We shall continue our programme of official level talks on international issues, and there will be exchanges on bilateral trade, cultural and other matters.

27. **Mr. Cartwright** asked the Secretary of State for Foreign and Commonwealth Affairs whether he has any plans to meet the Foreign Minister of the Soviet Union.

Sir Geoffrey Howe: I have invited Mr. Gromyko to visit the United Kingdom this year. He has accepted, and dates are now under discussion.

31. **Mr. Terlezki** asked the Secretary of State for Foreign and Commonwealth Affairs whether a date has yet been fixed for the planned visit by the Soviet Foreign Minister to the United Kingdom.

Sir Geoffrey Howe: No. Dates are under discussion on diplomatic channels.

34. **Mr. Sumberg** asked the Secretary of State for Foreign and Commonwealth Affairs whether he received any assurance from Mr. Gorbachev last month regarding future compliance by the Soviet Union with its international obligations on human rights.

Sir Geoffrey Howe: No. During my talks with Mr. Gorbachev last month, I urged that the Soviet Union carry out its human rights commitments under the Helsinki Final Act. Regrettably, Mr. Gorbachev's response gave no cause to expect any early change in Soviet attitudes on this question.

Afghanistan

16. **Mr. Gregory** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations have been made by Her Majesty's Government to the Government of the Union of Soviet Socialist Republics concerning Soviet occupation of Afghanistan.

Mr. Rifkind: We would like to see a lasting and peaceful settlement in Afghanistan on the basis set out in successive UNGA resolutions. We look to the Soviet Union to open the way to such a settlement by declaring its willingness to withdraw its troops, the presence of whom in this previously independent and non-aligned country remains an affront to international opinion, as well as causing great destruction and suffering to the Afghan people.

My right hon. and learned Friend made our position clear to Mr. Gorbachev during their meeting in London in December, and we will continue to raise this matter in future meetings with Soviet leaders.

Gulf War

17. **Mr. Tom Clarke** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the current state of the Gulf war.

Mr. Luce: The conflict between Iran and Iraq remains a cause for international concern, with attacks by both sides continuing on merchant shipping in the Gulf. We welcome the agreement by Iran and Iraq, in June 1984, to refrain from attacks on civilian targets, in response to the appeal by the Secretary-General of the United Nations. The United Kingdom will maintain its support for all efforts to bring about an early settlement.

Libya

18. **Mr. Yeo** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about current relations with Libya.

Mr. Luce: We are continuing to work hard in a number of different ways to secure the early release of the four British hostages held in Libya. We are in close touch with their families, and the Italians as protecting power. We also support the Archbishop of Canterbury's personal representative, Mr. Terry Waite, in his humanitarian initiative. As long as the hostages are detained we cannot begin to look at ways of dealing with other problems between us and the Libyan authorites.

Iran

19. **Mr. Fatchett** asked the Secretary of State for Foreign and Commonwealth Affairs when he next intends to meet representatives of the Iranian Government to discuss human rights; and if he will make a statement.

Mr. Luce: My right hon. and learned Friend has at present no plans to meet representatives of the Iranian Government to discuss human rights. However we have persistently made clear our concern over reported violations of human rights in Iran.

East-West Relations

20. **Mr. Andrew MacKay** asked the Secretary of State for Foreign and Commonwealth Affairs what is his assessment of the state of East-West relations following the recent meeting between the American and Soviet Foreign Ministers in Geneva.

Sir Geoffrey Howe: We have welcomed the outcome of the meeting between Mr. Gromyko and Mr. Shultz. We hope that the forthcoming negotiations will lead to increased security at a lower level of weapons. Given the complexity of the issues under discussion, progress is not likely to be rapid. Meanwhile, a broader dialogue between the superpowers as well as between the other countries of East and West can help to create the increased trust and confidence which will be necessary if lasting progress is to be made on arms control and on other problems.

33. **Sir David Price** asked the Secretary of State for Foreign and Commonwealth Affairs when he last discussed disarmament and East-West relations with the United States Secretary of State.

Sir Geoffrey Howe: I held private talks with Mr. Shultz on 11 December, when he visited this country on his way to the NATO ministerial meeting in Brussels. We discussed a range of international issues, including prospects for arms control and disarmament and East-West relations. Mr. Shultz and I took part in further discussions on these subjects in the course of, and in connection with, the NATO ministerial meeting itself.

Council of Foreign Ministers

21. **Mr. Hill** asked the Secretary of State for Foreign and Commonwealth Affairs when is the next meeting of the Foreign Ministers of the Council of Europe.

Mr. Renton: The next meeting of Foreign Ministers of the Council of Europe will be in Strasbourg on 29 January. My right hon. and learned Friend will attend.

Arab-Israeli Dispute

22. **Mr. Walters** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress towards a peace settlement in the middle east.

Mr. Luce: I refer my hon. Friend to the reply I gave earlier to my hon. Friend the Member for Christchurch (Mr. Adley).

USA (Strategic Defence Initiative)

23 **Mr. Gerald Howarth** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussion he has held with members of the United States Government on the subject of the latter's proposed strategic defence initiative.

Mr. Luce: We continue to maintain the closest contact with the US Administration on the strategic defence initiative. As my right hon. Friend the Prime Minister told the House on 9 January, at column *441*, she discussed the subject with President Reagan on 22 December 1984.

Mr. George Robertson asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the United Kingdom's European allies about the United States strategic defence initiative.

Mr. Luce: We continue to consult closely with all our allies, European as well as American.

Balkan States

24 **Mr. John M. Taylor** asked the Secretary of State for Foreign and Commonwealth Affairs if he will give more emphasis to constructive relations with the Balkan states and with Yugoslavia in particular; and if he will make a statement.

Mr. Rifkind: We already have good relations with the countries of the Balkans, with the exception of the People's Socialist Republic of Albania, which we recognise, but with which we do not have diplomatic

relations. My right hon. and learned Friend will have an opportunity to further relations with Romania, Bulgaria and Turkey when he visits these countries next month. Our relations with Yugoslavia are close and substantial in all areas. We value and respect Yugoslavia's constructive role as an independent and non-aligned state and have regular high-level contacts. My right hon. Friend the Prime Minister visited Yugoslavia twice in 1980; in November 1983 we welcomed the President of the Federal Executive Council to the United Kingdom; I visited Yugoslavia in May last year; and in November my right hon. and learned Friend had a useful round of political consultations in London with Mr. Dizdarevic, the Federal Secretary for Foreign Affairs.

Antarctic Treaty

25 **Mr. Douglas** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's current position with regard to the Antarctic treaty.

Mr. Renton: As a founder member, we greatly value the Antarctic treaty. It has successfully demilitarised Antarctica, maintained the peace there and helped promote important international scientific cooperation. We shall continue to defend and strengthen the treaty system. We welcome the continuing accession of new member states.

Outer Space

28 **Mr. Norman Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied that Britain's endorsement of United States policies for outer space is in keeping with the United Kingom's 1967 and 1972 treaty obligations; and if he will make a statement.

Mr. Luce: Like the United States, we remain fully committed to our obligations under the 1967 outer space treaty. Athough not a party to the United States—Soviet anti-ballistic missile treaty of 1972, we have repeatedly made it clear that we regard it as an important element in preserving international peace and stability

Nuclear Disarmament

29 **Mr. Strang** asked the Secretary of State for Foreign and Commonwealth Affairs what initiatives the Government intend to take in 1985 to secure multilateral nuclear disarmament.

Mr. Luce: We shall continue to work for balanced and verifiable agreements in the multilateral disarmament negotiations in which we currently participate. In addition, we shall strongly support the efforts of the United States in the forthcoming arms control talks with the Soviet Union to achieve balanced and verifiable reductions in nuclear arms.

Falkland Islands

30. **Mr. John Townend** asked the Secretary of State for Foreign and Commonwealth Affairs if he has yet reached a decision on possible future changes in the fishing limits round the Falklands.

Mr. Renton: There are no fishing controls around the Falkland Islands outside the three-mile limit. We are actively considering the possibility of establishing an exclusive fisheries limit, but no decisions have yet been reached.

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the shortage of travelling teachers in the Falklands.

Mr. Renton: There is provision for five travelling teachers in the Falkland Islands Education Department establishment. One post became vacant on 9 January 1985 on completion of contract. The Falkland Islands authorities are in the process of recruiting a replacement.

BBC and British Council

32. **Mr. Tom Cox** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received concerning cuts in foreign service posts, British Broadcasting Corporation External Services and the British Council, respectively.

Sir Geoffrey Howe: I have received a number of letters from right hon. and hon. Members and from members of the public and commercial firms.

International Maritime Organisation

Mr. Iain Mills asked the Secretary of State for Foreign and Commonwealth affairs what grant aid was given to establish the International Maritime Organisation in the United Kingdom; and if he will make a statement.

Mr. Rifkind: There was no grant aid given to establish the International Maritime Organisation in the United Kingdom.

European Parliament

Mr. Boyes asked the Secretary of State for Foreign and Commonwealth Affairs when he next expects to discuss the powers of the European Parliament with other European Economic Community Foreign Ministers.

Mr. Rifkind: This subject is one of those being considered in the Ad Hoc Committee for Institutions on which I am the United Kingdom representative. The Committee's report will be discussed at the European Council in June.

EUROPEAN COMMUNITY

Committee on Institutional Affairs

40. **Mr. Ron Davies** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the European Economic Community Ad Hoc Committee on Institutional Affairs.

Mr. Rifkind: The interim report of this Committee, on which I am the British member, is available in the Library of the House. The committee is preparing a final report for submission to the March European Council.

Fontainebleau Agreement

43. **Miss Boothroyd** asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in implementing the Fontainebleau agreement.

Sir Geoffrey Howe: The enlargement negotiations with Spain and Portugal are entering their final phase. A text implementing the Fontainebleau conclusions on

budget discipline has been formally adopted. The United Kingdom's 1983 refund has been paid. The two adhoc committees set up at Fontainebleau — on institutional affairs and a people's Europe — are completing their work and will report to the March European Council.

Agricultural Expenditure

44. **Mrs. Clwyd** asked the Secretary of State for Foreign and Commonwealth Affairs if it is the intention of the Foreign Affairs Council to meet European Economic Community Agriculture Ministers to discuss the level of agricultural spending in the forthcoming years.

Sir Geoffrey Howe: There are no plans for such a meeting.

Community Budget (UK Contributions)

45. **Mr. Terry Lewis** asked the Secretary of State for Foreign and Commonwealth Affairs if the abatement of British contributions agreed at the Fontainebleau summit is dependent on the accession of Spain and Portugal to the European Economic Community.

Sir Geoffrey Howe: The conclusions of the Fontainebleau European Council state that the correction formula for the United Kingdom will be a part of the decision to increase the VAT ceiling and that the increase will enter into force as soon as the ratification procedures are completed, and by 1 January 1986 at the latest.

Spain and Portugal

46. **Mr. Maxton** asked the Secretary of State for Foreign and Commonwealth Affairs if he expects any changes in the timetable for the accession of Spain and Portugal to the European Economic Community.

Mr. Rifkind: I would refer the hon. Member to the answer I gave earlier today to the hon. Member for Burnley (Mr. Pike).

Vice-Presidents (Appointment)

47. **Mr. Skinner** asked the Secretary of State for Foreign and Commonwealth Affairs what are the criteria for appointment as a vice-president of the European Economic Community Commission.

Mr. Rifkind: Provisions for the appointment of Commission vice-presidents by common accord of the Governments of the members states are laid down in Articles 11 and 14 of the merger treaty.

Committee for a People's Europe

48. **Mr. Heffer** asked the Secretary of State for Foreign and Commonwealth Affairs if he intends to make public the work of the European Economic Community's Committee for a People's Europe.

Mr. Rifkind: The interim report of the People's Europe Committee has been published and is available in the Library of the House. The committee is now working on its final report.

Community Policy

49. **Mr. Knox** asked the Secretary of State for Foreign and Commonwealth Affairs what further proposals he intends to place before his European Community partners for the development of Community policies.

Mr. Rifkind: Proposals, based on those set out in our paper "Europe — the Future", copies of which are available in the Library of the House, have been tabled in the ad-hoc committees set up by the European Council at Fontainebleau. They have concentrated on practical issues, including completion of the internal market, improvements in political co-operation and more efficient decision-taking.

Dublin Summit

50. **Mr. James Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in implementing the decisions of the Dublin summit.

Sir Geoffrey Howe: I would refer the hon. Member to the reply I gave earlier to the hon. Member for Stretford (Mr. Lloyd).

Reimbursable Loans

51. **Mr. Spearing** asked the Secretary of State for Foreign and Commonwealth Affairs at which meeting of the Council of Ministers of the European Economic Community he expects the inter-governmental agreement on reimbursable loans to be considered.

Sir Geoffrey Howe: No further discussion has been scheduled.

NATIONAL FINANCE

Building Societies

Mr. Stuart Holland asked the Chancellor of the Exchequer how many building societies were operating in 1983 and 1984; what were the average numbers of members or share accounts per building society in each year; and what was the average number of members or share accounts for *(a)* the top five and *(b)* the next 12 building societies in each year.

Mr. Ian Stewart: The following table shows the numbers of registered building societies at 31 December 1983 and 1984, together with the numbers which were authorised to accept shares and deposits under the Building Societies (Authorisation) Regulations 1981. It also shows the average numbers of investing shareholders for the year 1983; figures for 1984 are not yet available.

	End 1983	*End 1984*
Number of Building Societies:		
Registered	206	190
Authorised to accept shares and deposits	192	170
Average numbers of Investing Shareholders per society:	*000s*	
Largest 5 societies	4,485	N/A
Next 12 societies	845	N/A
All registered building societies	183	N/A

N/A = Not yet available

Tax Collection

Mr. McCrindle asked the Chancellor of the Exchequer if he has any plans to restrict the role of the Inland Revenue in the collection of income tax, corporation tax, capital gains tax and other direct taxes; and if he will make a statement.

Mr. Moore: We have no such plans.

Mr. McCrindle asked the Chancellor of the Exchequer if he is currently considering any changes in tne powers of enforcement of the Inland Revenue in relation to the collection of direct taxes; and if he will make a statement.

Mr. Moore: I have nothing to add to the reply I gave on 18 May last year, at columns *270-71*, to my hon. Friend the Member for Derbyshire, South (Mrs. Currie).

Long-term Debt

Mr. Skeet asked the Chancellor of the Exchequer what assessment he has made of the extent to which the depreciation of pound sterling has affected the servicing of the United Kingdom's long-term debt.

Mr. Ian Stewart: The proceeds of public sector foreign currency loans are held as foreign currency assets in the official reserves. Provided that these assets are retained and not used for intervention, increases in the sterling value of the equivalent liabilities because of a sterling depreciation will therefore be matched by offsetting increases in the sterling value of the foreign currency assets.

Johnson Matthey Bankers (Review Committee)

Mr. Chapman asked the Chancellor of the Exchequer whether a senior outside expert has now been appointed to the review committee which was established following the problems at Johnson Matthey Bankers.

Mr. Nigel Lawson: Yes. Mr. Deryk Vander Weyer is serving on the Committee. Mr. Vander Weyer is deputy chairman of British Telecom and former group deputy chairman of Barclays Bank.

Fringe Benefits

Sir David Price asked the Chancellor of the Exchequer, on the basis of the assumptions made in the Autumn Statement 1984, what would be the estimated cost of raising the £8,500 a year threshold for the assessment of fringe benefits by directors and higher paid employees to offset the effects of inflation since this threshold was introduced; and what would be the new figure for 1985-86.

Mr. Moore [*pursuant to his reply*, 22 January 1985, c. *364-65*]: The earnings threshold for the assessment of benefits in kind does not apply to most directors. The threshold for employees was set at £8,500 with effect from 6 April 1979. If it were to be increased in line with forecast movements in the retail prices index since then, its level in 1985-86 would be about £13,500. The direct revenue cost of such a change is estimated at about £110 million in a full year at 1985-86 income levels.

Privatised Public Corporations

Mr. Blair asked the Chancellor of the Exchequer if he will publish in the *Official Report* a table showing, for each of the public corporations privatised during the period 1979 to 1984, *(a)* the number of shareholders by size band of holding immediately after flotation and *(b)* the same information at each succeeding 31 December.

Mr. Moore [*pursuant to his reply*, 21 December 1984, c. *357*]: The information requested in part *(a)* of the hon. Member's question is given in the following tables. The figures do not include any Government residual shareholdings, shares held in trust for individual employees under companies' employee share ownership schemes, or any shares taken up by underwriters.

Information on the number of shareholders at subsequent times is a matter for the company concerned and is not covered in the tables. In the case of the employee buy-out of the National Freight Company, the initial allotment of shares was entirely a matter for the consortium. The sale of Jaguar was conducted by BL, and the initial allocation of shares is a matter for the company, not the Government.

Number of Shares held	*Number of Shareholders at time of allotment*
British Aerospace	
Less than 100	44,062
100-499	81,558
500-999	23,682
1,000-4,999	6,784
5,000-9,999	795
10,000-49,999	757
50,000-99,999	114
100,000-999,999	76
1,000,000+	1
Total	157,829
Cable and Wireless	
Less than 250	57,999
251-500	71,422
501-1,000	11,584
1,001-10,000	9,262
10,001-100,000	1,424
100,001-999,999	101
1,000,000+	4
Total	151,796
Amersham International	
100-499	18,900
500-999	8,538
1,000-9,999	24,280
10,000-49,999	8,373
50,000-99,999	1,521
100,000-499,999	1,682
500,000-999,999	295
1,000,000+	151
Total	63,760
Britoil	
100-499	18,598
500-999	8,099
1,000-4,999	10,283
5,000-9,999	52
10,000-49,999	118
50,000-99,999	28
100,000-999,999	67
1,000,000+	12
Total	37,257
Associated British Ports Holdings	
100-499	33,352
500-999	1,631

Number of Shares held	Number of Shareholders at time of allotment
1,000-4,999	1,615
5,000-9,999	279
10,000-49,999	304
50,000-99,999	20
100,000-499,999	4
Total	37,205
Enterprise Oil	
0-99	2
100-499	5,318
500-999	3,179
1,000-4,999	4,941
5,000-9,999	47
10,000-49,999	102
50,000-99,999	35
100,000-999,999	69
1,000,000+	2
Total	13,695
British Telecom	
200 or less	525,698
400	512,103
500	349,294
600	120,962
800+	631,463
Total	2,139,520

Note: These figures relate to the shares made available through the United Kingdom public offer only.

Income Tax

Dr. McDonald asked the Chancellor of the Exchequer if he will publish information for 1984 showing for each European Economic Community country as well as the Organisation for Economic Co-operation and Development countries *(a)* the level of gross income in pounds sterling at which a single person becomes liable for income tax, *(b)* the starting rate of income tax, *(c)* the combined starting rate of income tax and any social security contributions and *(d)* separate figures on typical rates of local taxes where appropriate, together with information showing the level of income in pounds sterling at which (i) a single person, (ii) a married couple and (iii) a married couple with two children become liable to income tax at 30 per cent. on earned income in each country.

Mr. Moore [*pursuant to his reply*, 20 December 1984, c. *325*]: Information for all the EEC countries and a selection of OECD countries outside the EEC is given in the tables.

Table 1
Income tax thresholds in £ sterling—single persons

	National income tax threshold £	Income tax rate per cent.	Combined rate of income tax and social security contributions per cent.	Rate of local income tax at national income tax threshold per cent.
EEC				
Belgium	2,080	19·3	29	1·6
Denmark	1,830	13·7	19·05	27·45
France	4,050	10·8	22·3	—
Germany	2,085	18	35·55	—
Greece	1,870	6	16·6	—
Ireland	2,360	35	42·5	—
Italy	2,200	18	24·8	—
Luxembourg	2,845	12	24	—
Netherlands	2,590	15·4	35·35	—
United Kingdom	2,006	30	39	—
OECD outside EEC				
Australia	3,350	26·7	26·7	—
Austria	2,425	21	32·85	—
Canada	4,360	15·5	19	7·4
Japan	3,435	10·5	19·5	4·5
New Zealand	665	20	20	—
Norway	4,750	3·5	13·8	23
Sweden	840	3	3	32·2
USA	2,860	11	17·7	1

Table 2
Level of income in £ sterling at which individuals become liable to income tax at 30 per cent. or at the rate nearest to 30 per cent.

	Single person	Tax rate per cent.	Married couple	Tax rate per cent.	Married couple with two dependent children	Tax rate per cent.
EEC						
Belgium—excluding local income tax	4,685	31·3	6,335	31·3	6,335	31·3
—including local income tax	4,450	28·6	6,090	28·6	6,090	28·6
Denmark—excluding local income tax	8,740	28·8	8,740	28·8	8,740	28·8
—including local income tax	1,830	41·15	3,665	41·15	3,665	41·15
France	8,775	30·2	17,125	31·1	25,480	31·1
Germany	8,310	30	16,160	30	16,740	30
Greece	5,130	29	5,130	29	5,130	29
Ireland	2,360	35	See notes	—	See notes	—
Italy	5,500	27	5,500	27	5,500	27
Luxembourg	6,860	30	12,805	30	14,880	31
Netherlands	7,375	32	9,250	32	9,250	32
United Kingdom	2,005	30	3,155	30	3,155	30
OECD outside EEC						
Australia	9,125	30	9,125	30	9,125	30
Austria	2,740	27	3,000	27	3,000	27
Canada—excluding local income tax	23,385	27·5	25,830	27·5	26,790	27·5
—including local income tax	15,300	29·6	17,640	29·6	18,600	29·6
Japan—excluding local income tax	31,080	27	32,340	27	34,950	27
—including local income tax	21,050	29·7	21,050	29·7	23,190	29·7
New Zealand	2,080	31·5	2,080	31·5	2,610	31·5
Norway—excluding local income tax	14,750	30·5	17,270	30·5	17,700	30·5
—including local income tax	8,630	31·5	11,150	31·5	11,590	31·5

	Single person	Tax rate per cent.	Married couple	Tax rate per cent.	Married couple with two dependent children	Tax rate per cent.
Sweden—excluding local income tax	12,020	32	12,020	32	12,020	32
—including local income tax	840	32·2	1,380	32·2	1,380	32·2
USA—excluding local income tax	21,965	30	28,485	28	30,270	28
—including local income tax	15,115	30	23,750	30	25,535	30

Notes:

1. All tax and social security figures used relate to the year 1984 or 1984-85 except for Belgium and France where 1983 figures, the latest available, have been used.
2. Conversions to sterling were made at the exchange rates prevailing on 15 January 1985. They may not fully reflect differences in purchasing power between sterling and the other currencies.
3. *a*. In the case of the married couples it is assumed that the income is wholly employment income of the husband.
   b. It is assumed that the United Kingdom employee is contracted in for national insurance.
4. *a*. The thresholds in tables I and II take account of personal reliefs, employment income reliefs and other standard reliefs as well as income tax reliefs for social security contributions where applicable.
   b. In table I, the combined rates of income tax and social security contributions take account of income tax relief for social security contributions, where applicable.
   c. Where local income tax is levied, typical rates have been used.
5. In Ireland, immediately above the threshold the married couple and married couple with two dependent children are liable to tax at a rate of 60 per cent. on the slice of income in excess of an exemption limit, if that is more favourable than tax computed in the normal way. The usual starting rate of 35 per cent. applies where income exceeds £5,020 in the case of a married couple and £4,770 in the case of a married couple with two dependent children.
. In Norway and Japan there are lower thresholds for the local income tax.

Manufactured Goods

Mr. Spearing asked the Chancellor of the Exchequer what is the deficit in trade in manufactured goods between the United Kingdom and other members of the European Economic Community for 1984, estimated if necessary, based on quarterly figures.

Mr. Channon [*pursuant to the reply*, 18 January 1985, c. *259*]: I have been asked to reply.

On information available to November the deficit with the rest of the European Economic Community was about £7¾ billion on the balance of payments basis. Figures for individual countries are not available on the same basis.

AGRICULTURE, FISHERIES AND FOOD

Food Legislation

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food if he will make available to interested hon. Members the report completed by officials on food legislation in the United Kingdom.

Mrs. Fenner: The report produced by officials has been published in the form of a consultative document which was circulated on 19 December 1984 to interested organisations for comment. Copies of this document have been placed in the Library of the House.

Mr. Cohen asked the Minister of Agriculture, Fisheries and Food what is the envisaged time scale for the consultative process in connection with food legislation policy; and whether arrangements will be made for the representations from interested organisations to be published in full.

Mrs. Fenner: Comments on the consultative document on the review of food legislation have been requested by 1 June 1985. I have no plans to publish representations received by my Department.

Water Authorities (Expenditure)

Mr. Mason asked the Minister of Agriculture, Fisheries and Food (1) if he will call for a report from each of the water authorities in England on how much of their net total revenue expenditure is spent on maintaining, improving and developing fisheries; and if he will make a statement;

(2) if he will seek a report from the Yorkshire water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(3) if he will seek a report from the Wessex water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(4) if he will seek a report from the South-West water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(5) if he will seek a report from the Southern water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(6) if he will seek a report from the Severn-Trent water Authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(7) if he will seek a report from the North-West water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(8) if he will seek a report from the Northumbrian water authority on the measures the authority is taking to

maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(9) if he will seek a report from the Anglian water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report;

(10) if he will seek a report from the Thames water authority on the measures the authority is taking to maintain, improve and develop fisheries pursuant to its statutory obligations under section 28 of the Salmon and Freshwater Fisheries Act 1975; and if he will make a statement on the substance of the report.

Mr. MacGregor: Water authorities report annually to Ministers on their expenditure and on the discharge of their statutory functions, including fisheries. These reports are laid before Parliament in October each year, and can be found in the Library of the House.

Food Sweeteners

Mr. Dykes asked the Minister of Agriculture, Fisheries and Food when the next review of all sweeteners will be undertaken in accordance with the recommendations of the food additives and contaminants report on the review of sweeteners in food; and who will conduct the review.

Mr. MacGregor: In accordance with the recommendations of the Food Additives and Contaminants Committee, data on the intake of all permitted sweeteners will be collected and reviewed within the next four years. This review will be undertaken by the Food Advisory Committee (successor to the FACC) together with the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment.

Intervention Stocks (Information)

Mr. Teddy Taylor asked the Minister of Agriculture, Fisheries and Food what are the present levels of surplus and intervention stores of food and wine in the European Economic Community in public and private storage, respectively; and what were the comparable totals around the same date in each of the previous 10 years.

Mr. Jopling [*pursuant to his reply,* 14 January 1985, c. *30*]: The further information is set out in the following tables:

European Community Foodstuffs held in Public Intervention Storage

'000 tonnes

Commodity	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*Date at which applicable in each year*
Butter	53	71	176	117	231	271	128	9	100	692	31 December
Skimmed milk powder	365	1,112	1,135	965	674	227	230	286	567	990	31 December
Wheat	na	1,799	1,377	981	1,053	1,821	4,914	2,978	6,300	6,857	31 December
Barley	na	523	210	64	177	69	1,086	740	1,625	1,102	31 December
Rye	na	264	161	422	597	549	513	321	293	249	31 December
Durum	na	67	365	212	141	143	157	307	771	714	31 December
Beef	253	252	262	323	208	275	302	181	203	372	31 December
Olive Oil	na	na	na	na	99	63	67	132	166	102	31 December
Oilseeds	na	na	8	1	0	1	92	19	37	0	31 December
Wine Alcohol	na	na	na	na	na	na	na	na	na	na	

European Community Foodstuffs held in Assisted Private Storage

'000 tonnes

Commodity	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*Date at which applicable in each year*
Butter	na	na	104	166	213	141	140	176	237	188	December
Cheese	na	na	14	10	40	53	52	55	67	91	December
Beef	53	36	144	34	40	43	17	27	26	24	Figures represent quantities contracted for storage under scheme operating nearest the end of each year
Pigmeat	na	8	0	na	17	18	na	24	10	22	31 December (except 1981 = 31 October and 1978 = 31 January). No scheme in 1976.
Dried Fruit	0	0	0	0	0	0	0	0	0	55	Mid-October
Table Wine	na	18	18	8	7	43	40	34	38	39	31 December

DEFENCE

Mr. Peter Levene

Mr. Gordon Brown asked the Secretary of State for Defence whether the new chief of defence procurement, Mr. Peter Levene, will have any role in making recommendations or issuing guidelines about the privatisation of in house services in the royal dockyards.

Mr. Butler: As the chief of defence procurement, Mr. Levene will have no responsibility for the dockyards other than those I described in the reply I gave the hon. Gentleman on 9 January 1985, at column *458*. Mr. Levene's advice will, however, be widely available, particularly in connection with our determination to achieve value for money.

Mr. Gordon Brown asked the Secretary of State for Defence, pursuant to his answer on 9 January, if Mr. Peter Levene, in his new position as head of defence procurement, will be responsible for issuing guidelines about evaluating tenders for contract work in naval refitting.

Mr. Butler: Tenders for all Government contracts, including contract refits, are evaluated and, if necessary, clarified according to established criteria, which include value for money and the ability of tenderers to meet the requirement and to fulfil the terms of the intended contract. Contracts are awarded according to these guidelines and in the light of all the circumstances obtaining at the time. So far as contract refit arrangements are concerned, and the responsibilities of Mr. Levene towards them, there is nothing I can add to the reply I gave the hon. Gentleman on 9 January 1985, at column *458*.

NATO (Nuclear Weapons)

Mr. Deakins asked the Secretary of State for Defence what evidence he has for claims that North Atlantic Treaty Organisation nuclear weapons have deterred any attack on the North Atlantic Treaty Organisation.

Mr. Stanley: The peace with freedom that has prevailed within the NATO area for nearly 40 years.

Vacuum Air Bomb

Mr. Cohen asked the Secretary of State for Defence if he will give a measure of the destructive capacity of a vacuum air bomb.

Mr. Butler: No. The British armed forces possess no such weapon.

Mr. Cohen asked the Secretary of State for Defence how many vacuum air bombs the British armed forces possess.

Mr. Butler: None.

Trident

Mr. Canavan asked the Secretary of State for Defence what is the latest estimated cost of the Trident nuclear programme, expressed as a percentage of the current year's defence budget.

Mr. Butler: It is not our practice to relate project estimates involving expenditure over a number of years to the defence budget for a specific year. However, the cost of the Trident programme will on average account for about 3 per cent. of the defence budget over the 20-year period of its procurement.

RAF Trainer Aircraft

Mr. Maclean asked the Secretary of State for Defence when the final selection of replacement trainers for the Royal Air Force is scheduled to be made.

Mr. Butler: I hope that a final decision between the options, which still include the possibility of refurbishing the Jet Provost, will be made in the spring.

RAF Pilots (Training)

Mr. Denzil Davies asked the Secretary of State for Defence if he will make a statement about the future training pattern of Royal Air Force pilots.

Mr. Lee: The content of RAF training, which is designed to produce pilots of the highest quality in their assigned roles with fast jet, multi-engined and helicopter types, remains unchanged, although we are continually seeking to refine and improve our training methods. In the current financial year, to save fuel, some management adjustment to the timing of certain courses is being made; but overall course lengths, flying hours and numbers in training are being maintained.

Mr. Denzil Davies asked the Secretary of State for Defence whether changes will have to be made in the training pattern for new pilots following the cut in the Royal Air Force's fuel allowance.

Mr. Lee: I refer the right hon. Member to the answers I gave to the hon. Member for Kingston-upon-Hull, North (Mr. McNamara) on 9 January 1985 at column *459*.

Multi-launch Rocket System

Mr. Denzil Davies asked the Secretary of State for Defence whether there has been any more progress with the procurement of the multi-launch rocket system for the Army.

Mr. Butler: Final contractual negotiations are being carried out in order to agree with the European consortium prices for the MLRS phase I launchers and rockets, so that a firm production order can then be placed. Development of the MLRS phase III system has begun, following the award of the development contract to an international consortium on 29 November.

Greenham Common

Mr. Denzil Davies asked the Secretary of State for Defence whether the security authorities of the Greenham common air base have used, or have any plans to use, low frequency sound generators for the purpose of crowd control.

Mr. Stanley: Various electricity generators are in normal operational use at Greenham common, but they have no crowd control function and none is planned.

HOUSE OF COMMONS

Select Committees

Mr. Mason asked the Lord Privy Seal how many Select Committee reports have been debated on the Floor of the House and on which topics since 1979.

Mr. Biffen: Eighty-eight Select Committee reports have been the subject of substantive motions for debate. Their topics were:

The second report from the Home Affairs Committee 1979-80 on Race Relations and the "sus" law.

The second report from the Social Services Committee 1979-80 on Perinatal and Neonatal Mortality.

The fourth report from the Social Services Committee 1980-81 on Medical Education.

The report from the Select Committee on the revision of standing orders 1982-83.

The report from the Select Committee on Members' salaries 1981-82.

The report from the Select Committee on Procedure (Finance) 1982-83.

The report from the Select Committee on Procedure on Short Speeches 1983-84.

The first to fourth, eighth, ninth and eleventh to thirty-fifth reports of the Public Accounts Committee 1979-80.

The fifth, sixth, seventh and tenth reports of the Public Accounts Committee 1980-81.

The sixth to thirtieth reports of the Public Accounts Committee 1981-82.

The first to eleventh reports and first special report of the Public Accounts Committee 1982-83.

The first to ninth reports of the Public Accounts Committee 1983-84.

Other reports, while not the subject of substantive motions, have been noticed on the Order Paper as relevant to debates.

Mr. Mason asked the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what salaries and for what categories of staff and others servicing the Select Committees are now being paid; and what are their pension entitlements.

Mr. Beith: The grades of staff in the Department of the Clerk of the House which serve Select Committees and their salary ranges are as follows:

Grade	*Salary Range* £
Clerk of Committees	36,500
Principal Clerk	28,209—30,800
Deputy Principal Clerk	21,313—25,617
Senior Clerk	14,195—18,789
Assistant Clerk	7,317—12,029
Senior Executive Officer	11,782—14,444
Specialist Assistant	9,793—14,444
Chief Office Clerk	8,392—9,792
Senior Office Clerk	7,147—7,653
Personal Secretary	6,729—7,940
Office Clerk	6,542—7,045
Attendant	6,513—7,667

The House of Commons staff pensions scheme is operated by analogy with the Civil Service pension scheme. I am sending the right hon. Member a copy of the booklet setting out its provisions.

In addition, specialist advisers are paid on a per diem basis for work done, ranging from £26 pd to £80 pd. They have no pension entitlement.

Mr. Mason asked the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what numbers of staff, full-time and part-time, are serving each Select Committee; and how much it has cost since 1979 to date to maintain all the Committees, including the separate costs for all the trips abroad and within the United Kingdom.

Mr. Beith: The number of staff serving each Select Committee are as follows, but in many cases Committee work comprises less than half the duties of the staff concerned.

	Number
Agriculture	3
Defence	5
Education, Science and Arts	4
Employment	3
Energy	4
Environment	5
European Legislation	8
Foreign Affairs	4
Home Affairs	4
House of Commons (Services)	5
Liaison	2
Members' Interests*	3
Parliamentary Commissioner for Administration	2
Procedure	2
Public Accounts	3
Scottish Affairs	3
Social Services	4
Sound Broadcasting	2
Trade and Industry	4
Transport	4
Treasury and Civil Service	6
Welsh Affairs	3

* Of whom 2 are part-time.

In addition, there are 10 members of staff (of whom one is part-time) the greater part of whose duties is to service Select Committees generally.

The overall cost of maintaining Select Committees is not readily identifiable. Costs, other than salary costs, which are clearly attributable to Select Committees have been given in the annual Select Committee Return since 1979.

SOCIAL SERVICES

Asian Families

Mr. Cohen asked the Secretary of State for Social Services what are Her Majesty's Government's strategy and plans for combating perinatal mortality and stillbirths in Asian families.

Mr. Kenneth Clarke: We have identified as a priority the funding of research into the causes of perinatal mortality and stillbirths, and have launched the Asian mother and baby project to encourage Asian families to make early and full use of the maternity services. However, health authorities have the prime responsibility for considering what steps to take to continue the downward trend in perinatal mortality, and we would expect their local maternity services liaison committees to see that clinical reviews are carried out, so that any special factors that appear to be associated with the stillbirth and perinatal mortality rate of particular groups of mothers, including Asian mothers, can be identified. We have commended the reports of our Maternity Services Advisory Committee to health authorities as important guidance on the development of good maternity services.

Cervical Cancer

Mr. Cohen asked the Secretary of State for Social Services whether the trend recorded in health circular (84) 17, "Screening for Cervical Cancer", about the effect of the population screening programme on the number of deaths in England and Wales from cervical cancer, is also the local trend in Waltham Forest; and if he will give an indication of the trend in Waltham Forest over the past 15 years.

Mr. Kenneth Clarke: The number of deaths from cancer of the cervix uteri (ICD 180) in the London borough of Waltham Forest of women aged under 35 and aged 35 and over for 1969 to 1983 is shown in the table. Figures for England and Wales are also shown. Useful interpretation of the data for Waltham Forest is difficult because of the very small numbers.

Number of deaths from cancer of cervix uteri (ICD 180) in Waltham Forest L.B. and England and Wales 1969-1983

Year	Waltham Forest L.B.			England and Wales		
	All ages	Under 35 years	35 and over	All ages	Under 35 years	35 and over
1969	13	—	13	2,417	38	2,379
1970	3	—	3	2,343	39	2,304
1971	4	—	4	2,315	43	2,272
1972	10	—	10	2,218	50	2,168
1973	4	—	4	2,249	46	2,203
1974	6	1	5	2,068	55	2,013
1975	9	—	9	2,143	77	2,066
1976	12	—	12	2,206	69	2,137
1977	16	—	16	2,145	73	2,072
1978	8	—	8	2,153	94	2,059
1979	8	1	7	2,087	89	1,998
1980	3	—	3	2,068	114	1,954
1981	10	—	10	2,017	118	1,899
1982	8	—	8	1,932	110	1,822
1983	14	1	13	1,959	124	1,835

Mr. Cohen asked the Secretary of State for Social Services what the percentage of deaths in Waltham Forest from cervical cancer of women over 35 years of age is of total cervical cancer deaths in the borough.

Mr. Kenneth Clarke: In the period 1969 to 1983, 98 per cent. of all deaths from cancer of the cervix uteri (ICD 180) in the London borough of Waltham Forest were of women aged 35 and over.

Mr. Cohen asked the Secretary of State for Social Services what the percentage of total cervical smear tests in Waltham Forest is of those taken from women aged under 35 years.

Mr. Kenneth Clarke: We do not collect detailed local information in the form requested. The hon. Member may wish to approach Waltham Forest health authority for the information.

Mr. Cohen asked the Secretary of State for Social Services what is the percentage for Waltham Forest of cervical cancer deaths of at-risk women, according to Her Majesty's Government's screening policy guidelines, who never had a smear test.

Mr. Kenneth Clarke: We do not collect detailed local information of this sort centrally.

Depo Provera

Ms. Richardson asked the Secretary of State for Social Services if the patient leaflet which is to accompany each package of Depo Provera has yet been agreed between the licensing body and the manufacturers; which languages it is to be printed in; and whether doctors will have to order the leaflet specially for distribution in languages other than English.

Mr. Kenneth Clarke: The text of the patient information leaflet has been agreed by the licensing authority and the manufacturers of Depo Provera. It will be printed in the following languages: English, Hindi, Urdu, Bengali, Gujarati, Punjabi, Chinese, Turkish and Greek. Tape cassettes of the text of the leaflet will also be available. The company will send the English version of the leaflet to doctors with a reply-paid card which doctors may use to order leaflets or cassettes in foreign languages as required.

District Health Authorities (Appointments)

Mr. Batiste asked the Secretary of State for Social Services whether he will make a statement concerning his consultations with local authority associations on proposals for changes in the procedures governing the termination of local authority appointments to district health authorities.

Mr. Kenneth Clarke: We have consulted the Association of County Councils, the Association of Metropolitan Authorities and the Association of District Councils about a proposed amendment to regulations 5(3) of the NHS (Regional and District Health Authorities Membership and Procedure) Regulations 1983. This would have the effect of requiring local authorities, as is already the case with regional health authorities, to obtain the Secretary of State's consent to the early termination of an appointment to a district health authority on the grounds that its continuance is not in the interest of the Health Service. We will be advising the associations of our decision in the near future.

We are anxious to ensure that all members of district health authorities are appointed to exercise their own judgment on issues before them and do not come under undue pressure to act as mandated representatives of outside bodies.

Dental Treatment (Children)

Mr. Cohen asked the Secretary of State for Social Services (1) if Her Majesty's Government have any plans to extend preventive dental treatment for children; and if he will make a statement;

(2) if he will provide fissure sealant treatment for children's teeth on the National Health Service; and if he will make a statement.

Mr. Kenneth Clarke: Fissure sealants may already be provided to children under the community dental service and a joint working party drawn from our Department and the British Dental Association is currently considering their potential effectiveness in relation to the general dental services. In addition, an experimental capitation remuneration scheme for the dental treatment of children has been initiated which it is hoped will develop continuity of care and the promotion of preventive dental care.

Schoolchildren (Employment)

Mr. Dubs asked the Secretary of State for Social Services which local education authorities do not require schoolchildren, as a precondition for employment, to obtain a work permit from the education welfare service.

Mr. John Patten: No local education authority (LEA) requires a schoolchild, as a precondition of employment, to obtain a work permit. However, all LEAs except the Isles of Scilly operate byelaws which incorporate procedures to vet the part-time employment of children and, with the exception of Cornwall and Wiltshire, to issue employment cards to children who are working.

Central Drugs Initiative

Mr. Sackville asked the Secretary of State for Social Services what is the average time taken to process applications for funding under the central drugs initiative.

Mr. John Patten: The time taken to process applications is influenced by various factors. These include the complexity of some applications, the need to seek further clarification or information, and the varying availability of funds at different points in the programme.

It is not possible to calculate the average time taken to process applications for funding and present it in a way which would be meaningful.

Mr. Sackville asked the Secretary of State for Social Services if he will provide a list of drug projects funded under the central drugs initiative since the answer to the hon. Member for Wolverhampton, North-East (Mrs. Short) of 10 December 1984, *Official Report*, column *385-86*.

Mr. John Patten: A further seven projects have been allocated funds. The details are as follows:

Health Authority	*Description of Project*	£
North West Thames Region Victoria HA	Monitoring of young unregistered drug misusers	147,450
South East Thames Region Greenwich HA	Drug screening equipment	25,995
South West Thames Region Mid-Surry HA	Drug screening equipment	37,003
Mersey Regional Health Authority	Out-patient clinic in Liverpool for drug misusers	541,825
Voluntary Organisations		
Ley Community (Oxford) Ltd	Additional accommodation for residential rehabilitation	152,872
Nucleus	Information gathering in Earls Court	69,958
West Cumbria MIND (Copeland)	Self-help group and other services for tranquilliser misusers	85,442

Supplementary Benefit

Mr. Gordon Brown asked the Secretary of State for Social Services how many pensioners in Scotland *(a)* householders and *(b)* non-householders lost entitlement to supplementary benefit because of the increase in pension levels from 26 November 1984.

Mr. Whitney: I regret the information is not available. It is estimated that overall some 20,000 pensioners in Great Britain ceased to be entitled to supplementary benefit because retirement pensions were increased by a slightly greater percentage than supplementary pensions in November 1984.

Limited List Prescribing

Mr. Pike asked the Secretary of State for Social Services how many representations he has received about his proposal to introduce a limited list for National Health Service prescriptions; and if he will put into categories the numbers making such representations.

Mr. Kenneth Clarke: So far we have received almost 3,000 letters commenting on our proposals to limit the range of drugs available in certain therapeutic categories. Of those, some 900 have been sent by doctors and the remainder have come from a wide range of individuals and organisations. Over 300 of the letters from doctors have simply been circular letters supplied by the drug industry which show an imperfect understanding of our proposals.

In addition, the Chief Medical Officer has received well over 1,000 replies to his letter of 14 December 1984 to all doctors. These have contained constructive suggestions about the medicines which should remain available to meet clinical needs.

Mr. Skeet asked the Secretary of State for Social Services how many drugs are prescribed under the National Health Service; and what percentage of the total are likely to be affected by the proposed limited list; and, of the drugs presently prescribable, what percentage of the total are proprietary drugs.

Mr. Kenneth Clarke: [*pursuant to his reply*, 21 January 1985, c. *353*]: Doctors can prescribe under the NHS from a range of around 18,000 different items. Details of the numbers of proprietary drugs are not readily available, but in England in 1983 about 82 per cent. of all prescriptions dispensed by retail chemists were for proprietary products. The proportion of proprietary drugs affected by our limited list proposals cannot be estimated until the list is finalised after consultation with the medical and pharmaceutical professions and the drugs industry. However, the therapeutic categories of drugs covered by our proposals comprise only about 10 per cent. of expenditure on drugs and only some drugs in those categories will be affected.

Mrs. Ann Winterton asked the Secretary of State for Social Services (1) why the British Medical Association, the Association of the British Pharmaceutical Industry and other concerned bodies were not consulted during the course of the in-depth study into limited list and generic prescribing as outlined by the Lord Glenarthur speaking in another place on 15 January;

(2) whether he intends to publish the details of the in-depth study carried out since 1981 into generic and limited list prescribing as outlined by the Lord Glenarthur speaking in another place on 15 January.

Mr. Kenneth Clarke: My noble Friend Lord Glenarthur was describing in another place on 15 January the discussions that preceded and followed the production of the Greenfield report and the process by which we have kept abreast of developments worldwide in the provision of drug subsidised schemes. We made particular efforts to bring our information on international experience up to date last summer and collected detail on schemes in a

number of countries. We did not produce any report in a form that could be published. There has been a large amount of debate involving the Government and members of the professions and the industry over the last two years on the subject of containing drug costs and I do not see what further consultations could have been held usefully before my right hon. Friend announced the beginning of consultation on our limited list proposed in November.

Renal Patients

Mr. Kilroy-Silk asked the Secretary of State for Social Services how many new end-stage renal patients per million population are currently being accepted per year by each regional health authority.

Mr. John Patten: The European Dialysis and Transplant Association has provided the following provisional data in respect of 1983, the latest year for which figures are available:

Region	*New patients (per million population)*
Northern	42·9
Yorkshire	28·1
Trent	32·9
East Anglian	38·4
North West Thames	33·1
North East Thames	38·1
South East Thames*	36·8
South West Thames*	
Wessex	24·4
Oxford	35·2
South Western	30·7
West Midlands	30·8
Mersey	28·3
North Western	30·5

* Joint provision of renal services.

Mr. Kilroy-Silk asked the Secretary of State for Social Services if he will ask regional health authorities to accept a target rate of 100 new end-stage renal patients per million population per year.

Mr. John Patten: We can see no possibility that the incidence of treatable end-stage renal failure in the United Kingdom would require an acceptance rate of this magnitude. Regional health authorities have recently agreed to meet a target of treating a minimum of 40 new end-stage renal failure patients per million population per year by 1987.

Regional Authorities (Rayner Report)

Sir John Biggs-Davison asked the Secretary of State for Social Services whether he has received replies from each of the authority chairmen whom he asked to prepare an action programme to make the saving of about £75,000 per year estimated in the Rayner report.

Mr. John Patten: I assume that my hon. Friend is referring to the scrutiny of non-ambulance transport services in the National Health Service. All the regional health authorities have submitted plans and these are being assessed.

Cystic Fibrosis

Mr. Hunter asked the Secretary of State for Social Services whether any additional assistance is to be made available to sufferers of cystic fibrosis in order to defray their costs caused by this condition; and if he will make a statement.

Mr. Newton: We have no plans to do so. We consider that it is generally more appropriate to concentrate social security benefits for disabled people on helping all those with particular needs, rather than to single out particular types of disability.

Mr. Tony Lloyd asked the Secretary of State for Social Services how many specialist units for cystic fibrosis sufferers exist in England and Wales; how many and which of them are within the north-west region; what advantages flow from the operation of these units; and if he will make a statement.

Mr. John Patten [*pursuant to his reply*, 21 January 1985, c. *348*]: Information on units specialising in cystic fibrosis is not collected centrally, although I understand that within the north-western region consideration is being given to a regional unit for adult sufferers at Monsall hospital in north Manchester. The intensity of cystic fibrosis, and therefore its treatment, can vary, and there is some difference in medical opinion as to whether, for the majority of cases, any benefits arising from regional or other centres would outweigh the difficulties and disruption involved in treating children far from their homes. It is for health authorities, in consultation with the consultants concerned, to determine how best services for children and for older sufferers from cystic fibrosis should be organised and where they should be located.

AIDS

Mr. Sims asked the Secretary of State for Social Services if he has any proposals to add acquired immune deficiency syndrome to the list of notifiable diseases.

Mr. McCrindle asked the Secretary of State for Social Services if he will consider making acquired immune deficiency syndrome a notifiable disease; and if he will make a statement.

Mr. Kenneth Clarke: I refer my hon. Friends to my reply to my hon. Friends the Members for Bournemouth, East (Mr. Atkinson) and for Birmingham, Edgbaston (Mrs. Knight) on 21 January at column *347*.

Pharmaceutical Products (Imports)

Mr. Sims asked the Secretary of State for Social Services in how many cases proceedings have been taken against companies importing pharmaceutical products without being in possession of the appropriate licence; and if he is satisfied that no unlicensed products are entering the country.

Mr. Kenneth Clarke: In the last 10 years, proceedings have been taken against 11 companies or individuals who, in breach of the provisions of the Medicines Act 1968, have imported a medicinal product for human use not in accordance with a product licence. Our Department cannot monitor all incoming medicinal products, and in any case it is not an offence to import from the European Community and to hold in store medicinal products licensed in a Community country.

A close watch is, however kept for alleged unlicensed medicines and all reports are followed up. Enforcement

proceedings are considered if there is prima facie evidence that the terms of the Medicines Act or the European Community legislation have been breached.

District Nurses (Training)

Mr. Pavitt asked the Secretary of State for Social Services if he will publish in the *Official Report* the number of recruits to district nurse training courses for each of the last five years.

Mr. Kenneth Clarke: The numbers of recruits to district nurse training who have entered for the qualifying examination in England in each of the last five years are as follows:

	Number
1980	1,288
1981	1,486
1982	878
1983	885
1984	887

National Insurance Contributions

Mr. McCrindle asked the Secretary of State for Social Services (1) if he will estimate the cost in a full financial year of releasing employers from the cost of national insurance contributions for all new employees engaged; and if he will make a statement;

(2) if he will estimate the cost of releasing employers from the cost of national insurance contributions in a full financial year, if all those currently under 25 years of age and unemployed were employed; and if he will make a statement;

(3) if he will estimate the cost of releasing employers from the cost of national insurance contributions in a full financial year if all those under 25 years of age who are classed as long-term unemployed were employed; and if he will make a statement;

(4) if he will estimate the cost of releasing employers from the cost of national insurance contributions in a full financial year if those currently unemployed between the ages of 55 and 60 years were employed; and if he will make a statement.

Mr. Whitney: An estimate of the contributions payable if those at present unemployed were employed could be made only on the basis of arbitrary assumptions about rates of pay, periods of employment etc. and the result would depend very much on the precise rules for waiving liability.

Social Workers

Mr. Alfred Morris asked the Secretary of State for Social Services how many people took the one year post-qualifying course for social work with deaf people in the last five years; and how many people are currently taking the course.

Mr. Newton: The figures for the last five years for the two full-time, one-year post qualifying courses are as follows:

	Number
1979	21
1980	—
1981	4
1982	13
1983	5

The figure for the current academic year is four.

Deaf Persons (Interpreters)

Mr. Alfred Morris asked the Secretary of State for Social Services how many *(a)* local authorities and *(b)* health authorities employ interpreters for the deaf; and if he considers the present provision to be adequate.

Mr. Newton: We are not aware of any local authority or health authority which employs staff solely to act as interpreters for deaf people. However, most local authorities employ staff with interpreting skills and as part of their wider responsibilities nearly all social services departments are able to provide an interpreter service for the deaf, either direct or through an agency. Provision generally needs to be improved and in this connection the Department is providing grant aid to organisations such as the Council for the Advancement of Communication with Deaf People.

Retirement Pension

Mr. Latham asked the Secretary of State for Social Services what would be the cost to public funds of *(a)* reducing the retirement age for men, but paying full pension, to 64 years as from 1 September 1985 and *(b)* reducing it to 60 years, by 1990, assuming increases in pension rates between November 1985 and November 1990 to match the rate of inflation.

Mr. Whitney: The latest available estimates of the cost of reducing pension age are contained in the third report from the Social Services Committee on the "Age of Retirement" (HC26: 1982). These estimates indicate that the cost of reducing the pension age for men to 64 would be £400 million at 1981-82 benefit levels. The cost of reducing the pension age for men to 60 is estimated at £2,500 million, also at 1981-82 benefit rates. An estimate for a phased reduction pension age for men to age 60 by 1990 is not available in the form requested. The estimates provided for the Social Services Committee are at present being updated.

Newcastle Computer Dispute

Mrs. Jill Knight asked the Secretary of State for Social Services what is the latest position on the strike at his Department's Newcastle central office and its effect on the payment of pensions and benefits.

Mr. Newton: The computer staff who were on strike at the Department's Newcastle central office have this week returned to duty. The following is the latest position on the payment of benefits, including retirement pensions, widows benefit and child benefit.

RETIREMENT PENSIONS AND WIDOWS' BENEFIT

Paid by Order Book

About 7 million retirement pensioners and widows are currently obtaining payments from post offices on the stubs of expired order books. The issue of new order books to these pensioners will begin shortly but will not be completed until June. Stub payments will continue in the meantime. Pensioners who have missed any stub payments will be paid for the missed weeks by the post office when they are given their new book.

Paid by Payable Order

From the end of January Newcastle central office will resume payment by payable order to all pensioners in Great Britain normally paid by that method. Pensioners living overseas are already being paid by payable order from Newcastle.

Paid by Credit Transfer

Payment of pensions by credit transfer is already operating normally.

New Pensioners

Responsibility for issuing payments to new pensioners who claimed their pension during the strike is being transferred to Newcastle central office, but it will be several months before this is completed. Payment from local social security offices will continue in the meantime.

CHILD BENEFIT

Payment arrangements for child benefit should be back to normal for most beneficiaries by early February. Stub payments will, however, continue until March for some beneficiaries whose circumstances have recently changed.

UNEMPLOYMENT, SICKNESS AND INVALIDITY BENEFIT

It will take about two months to bring all contribution records up to date so the emergency arrangements for determining entitlement to unemployment, sickness and invalidity benefits will continue until April.

Hospitals (Statistics)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year since 1970 the number of National Health Service hospitals in each region.

Mr. John Patten [*pursuant to his reply*, 9 January 1985, c. *512*]: The requested information is given in the table.

Number of National Health Service hospitals in England 1970-1983*

Region†	*1970*	*1971*	*1972*	*1973*	*†1974*	*1975*	*1976*	*1977*	*1978*	*1979*	*1980*	*1981*	*†1982*	*1983*
Northern	157	155	151	149	158	153	149	145	146	135	131	129	129	128
Yorkshire	180	171	172	165	182	180	178	169	164	164	159	157	155	155
Trent	214	215	213	210	208	208	208	205	205	198	194	188	185	185
East Anglian	97	98	99	99	96	96	96	96	93	93	94	90	88	90
North West Thames	159	158	160	153	134	133	130	126	123	117	112	109	102	101
North East Thames	122	119	116	116	139	138	133	128	122	121	114	114	122	121
South East Thames	167	163	165	164	162	159	154	149	146	145	141	135	137	138
South West Thames	154	150	140	142	135	128	127	128	123	124	118	112	113	115
Wessex	110	110	107	108	155	149	148	149	146	147	146	146	148	154
Oxford	113	112	111	110	107	104	103	96	91	92	88	88	88	88
South Western	262	263	265	267	236	238	230	224	226	223	222	225	224	223
West Midlands	212	210	209	211	209	207	203	205	204	202	201	200	201	203
Mersey	94	94	93	91	103	100	97	95	94	87	83	79	79	74
North Western	195	194	182	179	142	142	137	135	132	130	129	128	126	128
Special Health Authorities and Boards of Governors	28	28	27	25	28	28	26	26	27	27	26	26	20	20
Total	2,264	2,240	2,210	2,189	2,194	2,163	2,119	2,076	2,042	2,005	1,958	1,926	1,917	1,923

* Figures are based on a count of hospitals which provided residential facilities during a year. Day hospitals and clinics are therefore not included.

† Figures prior to 1974 relate to regional hospital boards and thereafter to regional health authorities. Because of NHS restructuring in 1974 and 1982 the regional figures are not strictly comparable over the whole period.

Residential Homes

Mr. Dixon asked the Secretary of State for Social Services (1) how much money has been spent by his Department on residential homes in each year since 1979 up to the latest figures available *(a)* nationally, *(b)* in the Tyne and Wear county area and *(c)* in the South Tyneside district area;

(2) what is the total amount of money spent by his Department on personal social services in each year since 1979 up to the latest available figures.

Mr. John Patten [*pursuant to his reply*, 16 January 1985, c. *166*]: Two columns of figures in the table were inadverantly transposed. The correct information is as follows:

Net current expenditure by local authorities on the personal social services:

(£ million Cash)

	England		*Tyne and Wear Residential Homes*	*South Tyneside Residential Homes*
	All Personal Social Services	*Residenual Homes*		
1978-79	1,062	487	14·6	1·9
1979-80	1,305	605	18·8	2·3
1980-81	1,616	750	23·0	3·0
1981-82	1,792	814	24·1	3·4
1982-83	1,967	871	25·0	3·5
1983-84	2,142	915	26·7	3·7

Notes:

1. 1983-84 England figures are provisional.
2. The main client groups covered by the residential homes figures are the elderly, children, younger physically disabled, mentally handicapped and mentally ill.

Ambulance Service

Mr. Boyes asked the Secretary of State for Social Services how many *(a)* ambulance, *(b)* ambulance depots and *(c)* ambulance drivers were employed by the Northern regional health authority for each year between 1979 and 1984.

Mr. John Patten [*pursuant to his reply*, 16 January 1985, c. *171*]: The numbers of ambulancemen/women working in the Northern regional health authority in the

years 1979 to 1983 are given in the table. The information for September 1984 is not yet available. The numbers of ambulancemen/women directly employed by the RHA, in the Northumbria ambulance service, are also shown for they years 1981 to 1983 only, the earlier years not being available.

Ambulancemen/women employed at 30 September (whole-time equivalent)

	1979	*1980*	*1981*	*1982*	*1983*
Northern RHA	1,206	1,235	1,262	1,262	1,279
Northumbria Ambulance Service	—	—	561	562	570

[*Source*: Annual Census of NHS Non-medical Manpower]

We do not collect information centrally on the numbers of ambulances and ambulance stations. The following table is derived from statistics compiled by York district health authority. The figures for 1983-84 are not yet available.

	1979-80		*1980-81*		*1981-82*		*1982-83*	
	Ambulances	*Stations*	*Ambulances*	*Stations*	*Ambulances*	*Stations*	*Ambulances*	*Stations*
Northern RHA	548	63	549	65	566	66	546	66
Northumbria Ambulance Service	250	29	249	29	257	29	253	29

NHS (Waiting Lists)

Mr. Dixon asked the Secretary of State for Social Services what are the latest figures for the number of patients on National Health Service waiting lists in the areas covered by *(a)* the Northumbria regional health authority and *(b)* the South Tyneside area health authority; and how these figures compare with the figures for each year since 1979-80.

Mr. John Patten [*pursuant to his reply*, 16 January 1985, c. *169*]: The requested information is given in the table. In general, figures on waiting lists are believed to include a significant proportion of duplicated entries and patients who no longer require treatment. The amount of overstatement cannot readily be estimated, but is thought to exceed 10 per cent. nationally and could be considerably more. About half of all admissions to hospital are immediate, and many of those on waiting lists already have a planned date of admission.

Number of persons on NHS in-patient waiting list on 31 March

	*1979**	*1980*	*1981*	*1982*	*1983**	*1984*
Northern Regional Health Authority	47,642	36,470	34,070	34,475	47,566	40,390
South Tyneside District Health Authority†	1,050	709	528	572	828	824

* In general, figures for these years were affected by industrial action in the health service.
† South Tyneside Area Health Authority prior to NHS reorganisation in 1982.

Family Practitioner Committees

Mr. Dobson asked the Secretary of State for Social Services if he will publish a list of family practitioner committees and the district health authorities to which they each relate.

Mr. Kenneth Clarke [*pursuant to his reply*, 17 January 1985, c. *225*]: The existing 90 family practitioner committees in England and the district health authority or authorities which established or adopted them are set out in the table. The list does not include details of the agency arrangements which are currently operated by certain FPCs and DHAs.

On 1 April 1985 the 90 FPCs will be replaced by an equal number, established to act for specified localities. An order, establishing 75 of the new English FPCs and specifying their localities, was laid before Parliament on 2 January. The remaining 15 will be the subject of a further order to be made shortly.

FPC	*DHA(s)*
Avon	Bristol and Weston Frenchlay Southmead
Barking, Havering and Brentwood	Barking, Havering and Brentwood
Barnet	Barnet
Barnsley	Barnsley
Bedfordshire	North Bedfordshire South Bedfordshire
Berkshire	East Berkshire West Berkshire
Birmingham	Central Birmingham East Birmingham North Birmingham South Birmingham West Birmingham
Bolton	Bolton
Bradford	Bradford Airedale
Brent and Harrow	Brent Harrow
Bromley	Bromley

FPC	DHA(s)
Buckinghamshire	Aylesbury Vale Milton Keynes Wycombe
Bury	Bury
Calderdale	Calderdale
Cambridgeshire	Cambridge Huntingdon Peterborough
Camden and Islington	Hampstead Bloomsbury Islington
Cheshire	Chester Crewe Halton Macclesfield Warrington
City and East London	City and Hackney Newham Tower Hamlets
Cleveland	Hartlepool North Tees South Tees
Cornwall and Isles of Scilly	Cornwall and Isles of Scilly
Coventry	Coventry
Croydon	Croydon
Cumbria	East Cumbria South Cumbria West Cumbria
Derbyshire	North Derbyshire Southern Derbyshire
Devon	Exeter North Devon Plymouth Torbay
Doncaster	Doncaster
Dorset	West Dorset East Dorset
Dudley	Dudley
Durham	Darlington Durham North West Durham South West Durham
Ealing, Hammersmith and Hounslow	Hounslow and Spelthorne Ealing Hammersmith and Fulham
East Sussex	Brighton Eastbourne Hastings
Enfield and Haringey	Enfield Haringey
Essex	Basildon and Thurrock Mid Essex North East Essex West Essex Southend
Gateshead	Gateshead
Gloucestershire	Cheltenham and District Gloucester
Greenwich and Bexley	Bexley Greenwich
Hampshire	Basingstoke and North Hampshire Portsmouth and South East Hampshire Southampton and South West Hampshire Winchester
Hereford and Worcester	Bromsgrove and Redditch Herefordshire Kidderminster and District Worcester and District
Hertfordshire	East Hertfordshire North Hertfordshire North West Hertfordshire South West Hertfordshire
Hillingdon	Hillingdon
Humberside	East Yorkshire Hull Grimsby Scunthorpe
Isle of Wight	Isle of Wight
Kensington & Chelsea and Westminster	Paddington and North Kensington Victoria
Kent	Canterbury and Thanet Dartford and Gravesham Maidstone Medway South East Kent Tunbridge Wells
Kingston and Richmond	Richmond, Twickenham and Roehampton Kingston and Esher
Kirklees	Huddersfield Dewsbury
Lambeth, Southwark and Lewisham	Camberwell Lewisham and North Southwark West Lambeth
Lancashire	Blackburn, Hyndburn and Ribble Valley Blackpool, Wyre and Fylde Burnley, Pendle and Rossendale Lancaster West Lancashire Chorley and South Ribble Preston
Leeds	Leeds Eastern Leeds Western
Leicestershire	Leicestershire
Lincolnshire	North Lincolnshire South Lincolnshire
Liverpool	Liverpool

FPC	DHA(s)
Manchester	Central Manchester North Manchester South Manchester
Merton, Sutton and Wandsworth	Merton and Sutton Wandsworth
Newcastle	Newcastle
Norfolk	West Norfolk and Wisbech Norwich Great Yarmouth and Waveney
Northamptonshire	Kettering Northampton
North Tyneside	North Tyneside
Northumberland	Northumberland
North Yorkshire	Northallerton York Scarborough Harrogate
Nottinghamshire	Bassetlaw Central Nottinghamshire Nottingham
Oldham	Oldham
Oxfordshire	Oxfordshire
Redbridge and Waltham Forest	Redbridge Waltham Forest
Rochdale	Rochdale
Rotherham	Rotherham
St. Helens and Knowsley	St. Helens and Knowsley
Salford	Salford
Sandwell	Sandwell
Sefton	Southport and Formby South Sefton
Sheffield	Sheffield
Shropshire	Shropshire
Solihull	Solihull
Somerset	Somerset
South Tyneside	South Tyneside
Staffordshire	Mid Staffordshire North Staffordshire South East Staffordshire
Stockport	Stockport
Suffolk	West Suffolk East Suffolk
Sunderland	Sunderland
Surrey	North West Surrey Mid Surrey West Surrey and North East Hampshire South West Surrey East Surrey
Tameside and Glossop	Tameside and Glossop
Trafford	Trafford
Wakefield	Pontefract Wakefield
Walsall	Walsall
Warwickshire	North Warwickshire Rugby South Warwickshire
West Sussex	Chichester Mid Downs Worthing District
Wigan	Wigan
Wiltshire	Bath District Salisbury Swindon
Wirral	Wirral
Wolverhampton	Wolverhampton

Written Answers to Questions

Thursday 24 January 1985

EDUCATION AND SCIENCE

Student Support

Mr. Tracey asked the Secretary of State for Education and Science whether he is now able to set out the timescale and terms of reference for the review of the student support system.

Sir Keith Joseph: The terms of reference of the review are to examine financial support for students in higher education. The review will concentrate on support at first degree and sub-degree levels. My right hon. Friend the Secretary of State for Scotland and I, in association with my right hon. Friend the Secretary of State for Northern Ireland, will issue a consultative paper as soon as practicable. After an appropriate period of consultation, the Government will decide on any changes which it may wish to introduce and will publish proposals accordingly.

Dyslexic Children

Mr. Alfred Morris asked the Secretary of State for Education and Science what criteria his Department recommends to local education authorities to use to identify dyslexic children.

Mr. Dunn: The duty of local education authorities under the Education Act 1981 is not to categorise children, but to assess their individual special educational needs and to ensure that those needs are met. So far as children with specific reading difficulties are concerned, the advice given in the report of the Secretary of State's advisory committee is still valid.

Mr. Alfred Morris asked the Secretary of State for Education and Science if he will now instruct his Department to collect information on children with dyslexia, both in mainstream and special schools.

Mr. Dunn: No. The Education Act 1981 deliberately seeks to avoid categorising children.

Reading Ability

Mr. Alfred Morris asked the Secretary of State for Education and Science (1) which local education authorities have compulsory testing of reading ability at seven years of age;

(2) if he will list each local education authority's median reading quotient for the years 1980 to 1984.

Mr. Dunn: This information is not collected centrally.

Advanced Further Education

Mr. Dubs asked the Secretary of State for Education and Science if he will set out in the *Official Report* the 1985-86 prescribed capital expenditure under section 72 of the Local Government Planning and Land Act 1980 for equipment for teaching and research in advanced further education for each local education authority in England expressed as a percentage of the 1985-86 national advisory body target student for each such local education authority.

Mr. Brooke: My right hon. Friend announced on 10 January at column 526 that the allocations to local education authorities in England for prescribed capital expenditure in 1985-86 provided for authorities' bids for equipment related to teaching and research within further and higher education to be met in full. The following table shows for every local education authority whose bid distinguished advanced further education, the allocation for equipment for teaching and research in AFE, the national advisory body's target student numbers for 1985-86 (expressed in full-time equivalent terms), and hence the allocation per student. No attempt has been made to weight the student numbers to take account of the relatively high cost of equipment in scientific disciplines.

Authority	*Equipment allocation £000s*	*Target student numbers*	*Allocation per student £*
Barking	600	5,614	107
Barnet	1,145	6,958	165
Ealing	640	3,014	212
Hounslow	12	1,326	9
Kingston-upon-Thames	240	5,849	41
Inner London	1,750	31,868	55
Coventry	1,021	6,357	161
Sandwell	22	952	23
Walsall	40	820	49
Wolverhampton	1,220	5,666	215
Liverpool	1,490	8,621	173
Bolton	95	2,024	47
Manchester	1,240	12,055	103
Salford	255	1,680	152
Sheffield	1,250	9,136	137
Kirklees	950	5,116	186
Leeds	798	7,148	112
Wakefield	50	1,069	47
Newcastle upon Tyne	430	7,765	55
South Tyneside	163	623	262
Sunderland	416	4,362	95
Avon	525	8,356	63
Berkshire	157	3,575	44
Cleveland	840	4,122	204
Cumbria	20	922	22
Derbyshire	100	2,219	45
Devon	1,159	7,114	163
Dorset	600	2,758	217
East Sussex	975	5,913	165
Essex	10	3,725	3
Hampshire	323	10,860	30
Hereford and Worcester	20	1,688	12
Hertfordshire	1,563	6,211	252
Humberside	210	3,452	61
Lancashire	910	7,867	116
Leicestershire	350	7,402	47
Nottinghamshire	609	8,351	73
Oxfordshire	1,036	4,796	216
Staffordshire	720	5,529	13

Medical Research Council (Budget)

Mr. Meadowcroft asked the Secretary of State for Education and Science if he will indicate the actual amounts and the proportion of the total Medical Research Council budget allocated to research projects in Oxford,

Cambridge and London for each of the years *(a)* 1978-79, *(b)* 1979-80, *(c)* 1980-81, *(d)* 1981-82, *(e)* 1982-83 and *(f)* 1983-84.

Mr. Brooke: I understand that the Medical Research Council estimates that its research expenditure in each of the three locations mentioned is as follows:

Financial Year	*Oxford*		*Cambridge*		*London*	
	£000	*Per cent. of budget*	*£000*	*Per cent. of budget*	*£000*	*Per cent. of budget*
1980-81	4,326	4·6	10,579	11·4	27,461	29·5
1981-82	4,646	4·4	12,650	11·9	33,308	31·2
1982-83	4,847	4·3	13,385	11·8	35,691	31·6
1983-84	5,566	4·6	14,210	11·9	37,662	31·4

No figures are available prior to 1980-81.

Mr. Meadowcroft asked the Secretary of State for Education and Science if he will indicate for each of the years *(a)* 1978-79, *(b)* 1979-80, *(c)* 1980-81, *(d)* 1981-82, *(e)* 1982-83 and *(f)* 1984, the proportion of the total Medical Research Council budget devoted to clinical rather than laboratory research; and if he will make a statement.

Mr. Brooke: I understand that the Medical Research Council regards clinical research as research requiring direct access to patients—though some of the research itself may take place in laboratories. The proportion of its own budgets devoted to such work between 1980-81 and 1982-83 is estimated to be as follows:

Financial Year	*Percentage of MRC total budget*
1980-81	23·2
1981-82	23·2
1982-83	23·9

No figures are available prior to 1980-81 or for 1983-84.

I would also refer the hon. Member to my answer on 17 January to the hon. Member for Linlithgow (Mr. Dalyell) at col. *226*.

HOME DEPARTMENT

Police (Computers)

Mr. Cohen asked the Secretary of State for the Home Department how he measures the value for money obtained by the increased use of computers by police forces.

Mr. Giles Shaw: I refer the hon. Member to the reply given to his question on 29 November at column *541*. It is for police authorities to satisfy them-selves that expenditure on police computers represents good value for money. Moreover, my right hon. and learned Friend is encouraging chief officers to evaluate operational systems and to ensure that new systems are installed only after careful consideration of objectives, options and costs. As explained, the Department will shortly be issuing further guidance to chief officers of police and police authorities on the considerations to be taken into account in order to ensure that value for money is obtained.

Fine Defaulters

Mr. Tom Cox asked the Secretary of State for the Home Department what is the present number of *(a)* men and *(b)* women at present serving sentences in London prisons for the non-payment of fines.

Mr. Mellor: It is estimated from central records that on 30 November 1984 in the region of 100 male and 10 female fine defaulters aged 21 and over were held in prison department establishments in Greater London—that is, Brixton, Feltham, Holloway, Latchmere House, Pentonville, Wandsworth and Wormwood Scrubs.

Mr. Tom Cox asked the Secretary of State for the Home Department how many *(a)* men and *(b)* women served prison sentences in London prisons for the non-payment of fines in the last three years.

Mr. Mellor: The information available from central records is given in the following table:

Persons aged 21 and over initially received into prisons in Greater London on committal in default of payment of a fine† by sex and year of reception*

	Males	*Females*
1982	3,800	290
1983	3,660	350
‡1984	2,200	390

* Brixton, Feltham, Holloway, Latchmere House, Pentonville, Wandsworth and Wormwood Scrubs.

† Including those in default of payment of a compensation order or costs.

‡ January to October, provisional.

Detained Persons (Code of Practice)

Mr. Cohen asked the Secretary of State for the Home Department if he will amend the code of practice for the detention, treatment and questioning of persons by the police by prescribing a minimum period of rest between questioning by the police and subsequent court appearance; and if he will make a statement.

Mr. Giles Shaw: The draft code of practice on the detention, treatment and questioning of persons by the police, which my right hon. and learned Friend published as a consultative document on 10 January, contains detailed provisions governing the periods of rest which detained persons must be permitted free from questioning or other interruptions arising from the investigation—as well as other aspects of detention, such as the provision of meals, exercise and toilet and washing facilities. We do not believe that it would be in the interests of detained persons to provide for a break between the completion of questioning and court appearance, the effect of which could well be to delay the time of release from custody. Nevertheless, all responses to the consultation document will be considered carefully.

Non-violent Crime (Punishment)

Mr. Marland asked the Secretary of State for the Home Department what consideration he is giving to other means of punishment for non-violent criminals to that of long custodial sentences.

Mr. Mellor: The Criminal Justice Act 1982 re-enacted and strengthened the powers available to the courts when making probation orders — or supervision orders on

juvenile offenders—and provided for the introduction of community service orders for 16-year-olds. My right hon. and learned Friend has reduced from one year to six months the minimum qualifying period of custody before a prisoner can be considered for parole. We shall keep under review the range of alternatives to custody, including means by which reparation between the offender and the victim might be arranged. We intend also to introduce legislation during this Parliament to give the courts more effective powers to deprive offenders of the proceeds of crime.

Violent Crime (Punishment)

Mr. Marland asked the Secretary of State for the Home Department if he will consider recommending even more severe punishment for violent offenders.

Mr. Mellor: My right hon. and learned Friend fully supports the proposals in the Bill now before the House, introduced by my hon. Friend the Member for Plymouth, Drake (Miss Fookes), to increase the maximum penalties for attempted rape and for indecent assault. It is also intended to introduce legislation during this Parliament to increase to life imprisonment the maximum penalty for carrying firearms in furtherance of crime. Otherwise, my right hon. and learned Friend is satisfied that the courts have sufficient powers to deal with violent offenders. The exercise of these powers in individual cases is entirely a matter for the courts.

Crime Prevention Programmes

Mr. Boyes asked the Secretary of State for the Home Department what proposals he has to fund crime prevention programmes.

Mr. Giles Shaw: None. Funding for crime prevention programmes is available through the urban programme.

Coal Industry Dispute

Mr. Freeman asked the Secretary of State for the Home Department if he will make a statement on the total cost to date to public funds of policing the miners' strike.

Mr. Giles Shaw: Information on the total costs of policing the dispute is not available. The Home Office has so far paid to police authorities in England and Wales advances of police grant and of the special payment which my right hon. and learned Friend is making available on expenditure totalling some £145 million.

Departmental Review (Farrell and Others)

Mr. Dubs asked the Secretary of State for the Home Department (1) why his Department's review into the case of Farrell and others has taken so long;

(2) what is the specific issue the police are investigating in connection with his Department's review of the case of Farrell and others;

(3) if he will consider asking a police force other than the Metropolitan police to investigate the case of Farrell and others in connection with his Department's current review.

Mr. Mellor: The review of the case which my right hon. and learned Friend ordered has involved inquiries by the Metropolitan police into a number of aspects, but with particular reference to the allegations of interference with a video tape recording. Most of these inquiries have now been completed and the results so far received are being considered. Once we have all the results, the review will be completed as quickly as possible. My right hon. and learned Friend can see no present reason to involve any other police force in the review.

Mr. James Magis

Mr. Alex Carlile asked the Secretary of State for the Home Department, further to his answer of 14 January, *Official Report*, column 15, whether Mr. James Magis was removed specifically to France at his own request or on the direction of his Department; and what were the basic grounds for his decision that the exclusion of Mr. Magis would be conducive to the public good.

Mr. Brittan: Mr. Magis was returned to France, the country from which he had arrived, on 5 December 1984 under powers conferred by the Immigration Act 1971, having been refused leave to enter the United Kingdom on my personal direction that his exclusion would be conducive to the public good for reasons of national security.

Colin Evans (Report)

Mr. Andrew MacKay asked the Secretary of State for the Home Department whether he has received a report from the Berkshire probation committee about Colin Evans; and if he will make a statement.

Mr. Brittan: I have received a report from the Berkshire probation committee about the involvement of the Berkshire probation service with Colin Evans and am placing a copy in the Library of the House. The report sets out the history of the case and explains the circumstances in which Colin Evans' probation officer, Mr. P. G. Southerton, was disciplined by the chief probation officer in August 1982.

In the light of the report from the Berkshire probation committee, the Home Office is reminding chief probation officers that it is the duty of all probation officers, when dealing with child sex offenders, to take every step to prevent their having contact with children. In addition, as I announced on 19 December, a review is in hand of the arrangements whereby information about the criminal background of those who seek to do any work, paid or unpaid, with children is made availble to those who need to know it.

TRANSPORT

Driving Tests

Mr. George asked the Secretary of State for Transport what is the average waiting period for a driving test in each of the test centres within the area of the west midlands county; and how these figures compare with the average for 1983, 1982, 1981 and the average waiting period for England and Wales.

Mrs. Chalker: The information is as follows:

West Midlands Metropolitan County

Driving test centre	Waiting times (weeks)				
	11 January 1985	*13 January 1984*	*14 January 1983*	*15 January 1982*	*16 January 1981*
Birmingham (Quinton)	25	11	10	7	8
Birmingham (Kingstanding)	18	11	5	4	3
Birmingham (Washwood Heath)	20	14	6	13	5
Birmingham (King's Heath)	20	11	10	7	7
Birmingham (Sheldon)	20	16	10	9	15
Birmingham (Shirley)	8	6	3	2	6
Coventry (Mason Road)	9	14	3	6	11
Coventry (Holyhead Road)	21	8	3	3	5
Lower Gornal	24	20	7	7	14
Wolverhampton	15	22	5	5	16
Bilston	25	14	4	6	17
Bloxwich	32	9	10	9	13
Wednesbury	15	18	14	11	18
Sutton Coldfield	11	12	10	8	16
West Midland Traffic Area	15	10	6	6½	10½
England and Wales	*16	11	9½	12	19½

* Estimated.

More driving examiners are being recruited to reduce these generally excessive waiting periods. Examiners are also transferred temporarily between centres to help reduce the longest waits. The effects are already becoming apparent at a number of centres.

Greater Manchester (Highway Functions)

Mr. Andrew F. Bennett asked the Secretary of State for Transport which specific highway functions are duplicated in practice between the metropolitan county and the district councils in the Greater Manchester area; and if he will give an estimate of the number of staff who are involved in such duplicated work.

Mrs. Chalker: I understand that both the metropolitan county councils and the district councils have highway departments engaged in the improvement and maintenance of metropolitan county roads. Managerial decisions to be taken by the successor authorities to the metropolitan county councils will reveal to what extent this duplication serves any purpose.

Junction Crossing (Thatched House, Leytonstone High Road)

Mr. Cohen asked the Secretary of State for Transport what representations he has received for a pedestrian phase to the junction crossing at the Thatched House, Leytonstone high road; and when approval from his Department is likely to be forthcoming.

Mrs. Chalker: A variety of suggestions have been received from the GLC, the London borough of Waltham Forest, the Cann Hall Residents Association and the Leyton and Leytonstone Liberals about ways of improving conditions for pedestrians at this junction, having regard to the needs of traffic.

I hope to be able to decide quite soon on the most appropriate measures for easing this local problem.

Sea Circle Sculpture, Liverpool

Mr. Alton asked the Secretary of State for Transport why transport supplementary grant approval was given for the construction of the Sea Circle sculpture in Seymour street, Liverpool, by his Department; if he will list other similar projects which his Department has sanctioned; and if he will make a statement.

Mrs. Chalker: Transport supplementary grant—TSG—approval was not given by my Department for the construction of this sculpture, nor for any similar projects. TSG is a block grant to county councils and the GLC, and they decide precisely how it is to be spent. However, Parliament approved changes in the TSG system last November which concentrate the grant on capital expenditure on highways and traffic management. As in previous years, my right hon. Friend the Secretary of State for Transport names road schemes for which he is making grant available, and takes account of their progress in each following settlement.

Road Accident Statistics

Mr. Forth asked the Secretary of State for Transport how many fatalities have been caused by collision with road signs, in the latest year for which figures are available.

Mrs. Chalker: Statistics on the causes of road accidents are not collected by the Department. However, fatalities associated with vehicles which hit road signs or traffic signals in 1983, the latest complete available year, were as follows:

	Numbers
Vehicle drivers	50
Vehicle passengers	20
Pedestrians	8

Buses

Mrs. Dunwoody asked the Secretary of State for Transport what consideration he has made of the impact of implementation of the buses White Paper on those people who have been issued life bus passes as part of their pensions.

Mr. Ridley: On the basis of available information, I do not foresee any problems which cannot be resolved.

Train Accident (Rugby)

Mr. Pawsey asked the Secretary of State for Transport (1) if he will publish the findings of the British Rail inquiry into the accident which took place on 9 December 1984 at Rugby; and what action has been taken to prevent a recurrence of the accident involving two trains colliding on the same line;

(2) if any disciplinary action has been taken resulting from the inquiry by British Rail into the train accident that occurred on 9 December 1984 at Rugby;

(3) if he will order a public inquiry into the rail accident that took place on 9 December at Rugby; and if he will make a statement.

Mr. Ridley: The accident occurred when a British Rail engineers' train was propelled past a signal at danger on to the main line and into the path of an approaching passenger train. The driver of the passenger train was able to slow down and the collison occurred at low speed. Two passengers received minor injuries. Full details of the accident were reported to the Railway Inspectorate. Since the cause was clearly established and BR was taking the necessary action to prevent a recurrence, no formal inquiry was ordered. I have no powers to require publication of BR's internal inquiries, but a summary of the circumstances of the accident and the action taken by the board will be given in the Chief Inspecting Officer's annual report for 1984. We understant that BR has taken disciplinary action against the members of its staff held responsible for the accident.

Departmental Property

Mr. Corbyn asked the Secretary of State for Transport what plans he has to improve and upgrade property owned by his Department on Archway road, London N6.

Mrs. Chalker: The findings of the district valuer, who has been examining the condition of the Department's properties, are being considered.

Highway Maintenance Service

Mr. Fatchett asked the Secretary of State for Transport if he will list the total savings he expects to make in the event of the abolition of the six metropolitan county councils on the highway maintenance service; and by what means these are to be achieved.

Mrs. Chalker: Many metropolitan districts already maintain metropolitan county council roads as agents. The extent of savings in each case depends upon the degree of duplication in the present arrangements and upon managerial decisions to be taken by the successor authorities.

Foreign Driving Licences (Exchanges)

Mr. Knowles asked the Secretary of State for Transport whether he will now announce the result of the consultations on exchange of further foreign driving licences.

Mr. Michael Spicer: Following consultation with representative organisations, my right hon. Friend has made an order under the Road Traffic (Driving Licences) Act 1983 designating the following countries and territory: Barbados, the Republic of Cyprus, Finland, Malta, Zimbabwe, and the British Virgin Islands.

New residents in Great Britain who hold currently valid licences issued in any of these places can apply to exchange them for ordinary driving licences with effect from 2 February 1985. The application must be made within the first year of residence, surrendering a currently valid exchangeable licence.

ENVIRONMENT

Housing Corporation

Mr. Rooker asked the Secretary of State for the Environment, pursuant to the answer of 11 January, *Official Report*, column *558*, what is the estimated effect of value added tax on Housing Corporation finances; and if this is paid from gross capital resources.

Mr. Gow: In 1984-85 value added tax is expected to account for £30 million of the Housing Corporation's gross expenditure. The current estimate for 1985-86, on the same basis, is £34 million.

Smokeless Zones

Mr. Cohen asked the Secretary of State for the Environment what information he has as to the number of smokeless zones which have been *(a)* suspended or *(b)* repealed, respectively, in the period November 1984 to date, and in each of the corresponding periods for the preceding two winters.

Mr. Waldegrave: Since November 1984, smoke control restrictions have been temporarily suspended in five local authority areas: Reading, Preston, north Warwickshire, Guildford and Portsmouth. No suspension orders were made during the corresponding periods for the previous two years. There have been no permanent repeals of smoke control restrictions, although, for administrative reasons, specific orders are occasionally repealed and immediately replaced by new ones.

Inter-Action (Payments)

Mr. Spearing asked the Secretary of State for the Environment what sums have been paid by the London Docklands Development Corporation to the body known as Inter-Action; for what services; what applications have been received from the corporation in respect of further payments to this body; for what amount; for what purposes; and over what contractual period.

Sir George Young: Inter-Action was appointed by the London Docklands Development Corporation on 1 August 1984 for £10,000 per month short-term consultancy agreement to provide advice on community matters. The Department is currently considering an application from the corporation to provide Inter-Action with £1·024 million over a three-year period to cover the transfer of its base to the royal docks and establishment there of training, job creation and recreation programmes for local people and a general consultancy role on community issues.

Flats (Planning Permission)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment whether the Government will now introduce legislation to relieve local planning authorities of their liability to pay compensation for the refusal of

planning permission for the addition of new flats to a block of flats built before July 1948: and if he will make a statement.

Mr. Macfarlane We have today introduced the Town and Country Planning (Compensation) Bill to modify rights to compensation under sections 165 and 169 of the Town and Country Planning Act 1971 and the equivalent Scottish provisions. The amendment to section 169 will secure that compensation will no longer be payable for the refusal or conditional grant of permission on applications made on or after today's date which relate to the addition of new flats to a block which was in existence on July 1948. The amendment to section 165 will limit the right to compensation for the refusal or conditional grant of planning permission for development following withdrawal of permission by the amendment or revocation of a development order. In such cases compensation will be payable only where an application is made within 12 months of the withdrawal or, where the withdrawal has already taken place, within 12 months of the Bill receiving Royal Assent.

WALES

Home Insulation Grants

Mr. Hannam asked the Secretary of State for Wales what increase has been made in the provision for home insulation grants in Wales contained in the total local authority housing capital allocations for 1985-86 to take account of the first full year of the operation of the topping-up grants for loft insulation under the homes insulation grant scheme.

Mr. Wyn Roberts: In allocating resources for expenditure under the homes insulation scheme 1985-86 we have continued to meet district councils' bids in full.

Health Authorities (Transport Costs)

Mr. Wigley asked the Secretary of State for Wales if he will publish a table showing for each district health authority in Wales the amount of money, within his Department's total grant to that authority, which is provided to meet the transport and travelling needs of that authority in the current financial year.

Mr. Wyn Roberts: It is for individual health authorities to decide the level of resource allocation to meet transport and travelling needs within the resources available to them. Information on these decisions for the current financial year is not held centrally.

Departmental Staff

Mr. Wigley asked the Secretary of State for Wales how many of the full-time employees of his Department are men and how many are women; and whether he has any proposals to increase career opportunities for women within his Department.

Mr. Nicholas Edwards: Of my Department's 2,167 full-time employees, 1,169 are men and 998 are women. The programme of action on equal opportunities, recommended by the joint review group set up by the Civil Service National Whitley Council's joint personnel management committee, will increase career opportunities for women and is being implemented by my Department.

Ambulances

Mr. Wigley asked the Secretary of State for Wales how many ambulances in working condition there are in each of the district health authorities in Wales.

Mr. Wyn Roberts: The number varies from day to day, and is not held centrally.

A55 (Rock Fall)

Mr. Wigley asked the Secretary of State for Wales if he will set up an investigation into the causes of the landslide that blocked the A55 trunk road between Llanfairfechan and Penmaenmawr, in Gwynedd, with particular reference to any part in the triggering of the landslide that may have been played by test drilling undertaken in the area recently.

Mr. John Stradling Thomas: There is no evidence or reason to believe that there is a connection between this incident and the test drilling of rocks undertaken as part of the site investigation in the vicinity of Pen-y-Clip for the proposed new A55 road tunnel.

Generally rock falls or slips in such areas can be attributed to gradual erosion and cumulative weathering effects. It is considered that this is the most likely cause here.

As part of the investigations into the construction of the proposed road tunnels at Pen-y-Clip and Penmaenbach, the Department is to seek landowner's consent to the carrying out of a careful examination of the rock faces bordering the present trunk road to identify, and render safe, any rocks which experts consider could be loosened by the effects of blasting operations whilst the works are in progress.

Community Health Specialists

Mr. Wigley asked the Secretary of State for Wales if he will issue general guidelines to district health authorities in Wales in order to ensure that community health specialists employed by health authorities in Wales have the right to speak freely in public and voice their own opinions on matters that are of concern to the public in the area where they work.

Mr. Wyn Roberts: No. Public statements by doctors employed as specialists in community medicine are covered by their terms and conditions of service.

Co-operative Enterprises

Mr. D. E. Thomas asked the Secretary of State for Wales if he will make a statement on his Department's contributions to the development of co-operative enterprises in Wales since 1979.

Mr. John Stradling Thomas: The Government have introduced a large variety of measures to help small businesses, most of which are of help to co-operatives. Advice and guidance is offered to co-operatives through the Welsh Office small firms information centre and the Welsh Development Agency's and Development Board for Rural Wales' advisory services. My right hon. Friend has given additional support in Wales under the urban programme to projects promoting co-operatives and agreed in 1983 a three-year grant to the Wales Co-operative Development and Training Centre.

ATTORNEY-GENERAL

Criminal Proceedings

Mr. Cohen asked the Attorney-General, further to his answer of 30 November 1984, *Official Report*, column 599, to the hon. Member for Leyton, if any identification processes were undertaken or any medical or forensic evidence sought or obtained by the police in the case of the alleged rape case.

The Solicitor-General: The complainant was medically examined by a police surgeon. Items taken from and specimens provided by both the complainant and the accused were submitted for examination by forensic scientists. The case involved no issue as to identity and accordingly no identification parades were held.

Mr. Cohen asked the Attorney-General, further to his answer of 30 November 1984, *Official Report*, column 599, to the hon. Member for Leyton, if the alleged victim of the rape attack made a statement to the police.

The Solicitor-General: Yes; but following her death the rules of evidence rendered it inadmissible against the defendant.

Mr. John Grant

Mr. Cohen asked the Attorney-General if he will place in the Library a summary of the report from the Sussex police which led to the Director of Public Prosecutions' decision to drop the extradition warrant against Mr. John Grant; and if he will make a statement.

The Attorney-General: No. Reports submitted by chief officers of police for the Director of Public Prosecutions for the purpose of obtaining advice in relation to criminal matters are confidential and cannot be disclosed.

ENERGY

Gas and Electricity Boards (Payments)

Mr. Corbyn asked the Secretary of State for Energy what amount of money has been paid to the Government by the gas and electricity boards, respectively, in each year since 1979.

Mr. Buchanan-Smith: Moneys paid to the Government by each industry were as follows:

British Gas Corporation

Financial Year	*Corporation Tax* £ *million*	*Gas levy* £ *million*	*Net Repayment of Government Loans* £ *million*
1979-80	—	—	109
1980-81	—	—	—
1981-82	154	383	—
1982-83	196	471	—
1983-84	234	522	—

Electricity Industry in England and Wales

Financial Year	*Net Repayment of Government Loans* £ *million*	*Interest payments on outstanding loans less discount* £ *million*
1979-80	(−)837	274
1980-81	(−)296	412
1981-82	449	464
1982-83	(−)25	387
1983-84	857	379

(−) Negative repayments represent additional borrowing.

Standing Charge Rebate Scheme

Mr. Corbyn asked the Secretary of State for Energy how many people benefited from the standing charges rebate scheme in each year since 1979.

Mr. Buchanan-Smith: Standing charge rebate schemes were introduced by British Gas from February 1983 and by area electricity boards from January and February 1983. In 1983-84, the first full year of their operation, the schemes are estimated to have benefited some 3 million gas and some 2 million electricity consumers.

Fuel Standing Charges

Mr. Corbyn asked the Secretary of State for Energy if he will estimate the cost of abolishing fuel standing charges for pensioners.

Mr. Buchanan-Smith: It is estimated that the total cost of abolishing electricity and gas standing charges for pensioners would be some £300 million a year.

OVERSEAS DEVELOPMENT

Malta

Mr. Eldon Griffiths asked the Secretary of State for Foreign and Commonwealth Affairs what assistance has been provided by Her Majesty's Government to the Government of Malta for the promotion of its tourist industry following the closure of the British naval base on the island.

Mr. Raison: None.

HOUSE OF COMMONS

Select Committees

Mr. Mason asked the Lord Privy Seal how many reports have been issued by the Select Committees since 1979, giving titles of each report from the separate Select Committees.

Mr. Biffen: Four hundred and twenty-seven reports and 103 special reports have been made by select committees since 1979. I shall be in touch with the right hon. Member about the titles of each report.

AGRICULTURE, FISHERIES AND FOOD

Youth Training Scheme

Miss Maynard asked the Minister of Agriculture, Fisheries and Food if he will give the figure for the numbers of farmers' daughters and sons who have

completed the youth training scheme under the monitoring of the northern regional department of the agricultural training board; and if he will express this number as a percentage of those monitored by the agricultural training board from its Harrogate office.

Mrs. Fenner: Neither the Manpower Services Commission, which is responsible for the youth training scheme, nor the agricultural training board, which keeps a check on the on-farm training, compile such information.

Butter

Mr. Body asked the Minister of Agriculture, Fisheries and Food whether any butter has been withdrawn from the privately-owned stores for the purpose of the European Economic Community Christmas butter sale at reduced prices.

Mr. MacGregor: Of the 200,000 tonnes of butter which is being sold at a reduced price in the European Economic Community, 27,000 tonnes may be drawn from private storage stocks and sold in the countries where it was stocked. In addition, some of the butter sold in Italy and Greece under these arrangements may have been drawn from private storage stock in other countries. The United Kingdom allocation of 39,200 tonnes is being provided entirely from butter which has been sold into intervention in this country.

Live Animals (Export)

Mr. Hunter asked the Minister of Agriculture, Fisheries and Food if he is satisfied with the current regulations controlling the export of live animals; and if he will make a statement.

Mrs. Fenner: Council directives 77/489/EEC and 81/389/EEC, implemented in this country by the Export of Animals (Protection) Order 1981, provide a satisfactory framework for the protection of exported farm animals. My officials are in constant contact with other member states and with the EC Commission on this subject.

Dairy Imports (New Zealand)

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food what is his latest estimate of the total volume of dairy products which will be imported from New Zealand in the current year; and if he will estimate the equivalent volume of milk which this represents.

Mr. MacGregor: The United Kingdom is authorised to import on special terms 81,000 tonnes of butter from New Zealand in 1985. In addition, New Zealand may export 9,500 tonnes of cheese to the European Economic Community on special terms, most of which will come to the United Kingdom. It is expected that New Zealand will make full use of these arrangements. These quantities are approximately equivalent to the butterfat content of 1·7 million tonnes of milk and the solids-not-fat content of 43,000 tonnes of milk.

Gas Prices (Holland)

Mr. Lyell asked the Minister of Agriculture, Fisheries and Food if he will make representations to the European Commission for it to initiate and prosecute urgently proceedings against the Dutch Government under article 93.2 of the Treaty of Rome in relation to the granting of preferential gas prices to Dutch growers.

Mr. MacGregor: We have already made repeated forceful representations to the effect that the Commission should take all possible steps provided for under article 93(2) to resolve this matter.

Cheddar Cheese

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food if he will publish a table showing the total volume of *(a)* production, *(b)* home sales, *(c)* imports and *(d)* exports of Cheddar cheese over the past five years.

Mr. MacGregor: The information requested is as follows:

Thousand tonnes

United Kingdom	*1979*	*1980*	*1981*	*1982*	*1983*	*1984†*
Production	162·1	162·7	168·4	159·8	160·9	148·8
Offtake*	239·6	224·7	226·1	226·7	217·3	204·1
Imports	95·7	72·2	91·2	80·0	80·2	73·9
Exports	10·0	10·6	16·8	25·9	20·0	22·7

Source: MMB: Customs and Excise Overseas Trade Statistics.

* Data on home sales are not available and offtake (production plus imports less exports and stock changes) which represents supplies moving into consumption has been used as a proxy.

† January to November.

Sweeteners

Mr. Mark Hughes asked the Minister of Agriculture, Fisheries and Food when the Food Additives and Contaminants Committee is likely to undertake a further review of the safety of intense sweeteners, particularly in carbonated soft drinks.

Mr. Jopling: The safety of permitted food additives is kept under continuous review. In accordance with the recommendations in the Food Additives and contaminants Committee's report on the review of sweeteners in food, data on the intake of all permitted sweeteners will be collected and reviewed within the next few years by the Food Advisory Committee (successor to the FACC) together with the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment.

Soya Beans

Mr. Gregory asked the Minister of Agriculture, Fisheries and Food what quantities of soya beans were grown in the United Kingdom in each of the last five years; what experiments are taking place to increase such production; and if he will make a statement.

Mr. MacGregor: I am not aware of any commecial production of soya beans in the United Kingdom in the last five years although there have been small scale commercial trials. The United Kingdom has participated in trials organised by a working group of the Food and Agriculture Organisation which have included trials on two sites in the United Kingdom over the last three years. These have indicated that, with the genetic material at present available, it remains very doubtful whether conditions in the United Kingdom are suitable for the commercial production of soya beans.

Cane Sugar Refining Industry

Dr. Godman asked the Minister of Agriculture, Fisheries and Food what consultations he has had about the effects of the possible enlargement of the European Community on the United Kingdom cane sugar refining industry.

Mr. MacGregor: My Department has regularly consulted the sugar industry on current issues, including the possible effects of the enlargement of the European Community on our refining industry.

Northumberland Coast (Salmon Netting)

Mr. Soames asked the Minister of Agriculture, Fisheries and Food if he will ban the netting of salmon off the coast of Northumberland.

Mr. MacGregor: The future of the English north-east coast salmon fishery was discussed in our 1981 consultation paper on the review of inland and coastal fisheries in England and Wales. In that paper we said that this fishery should neither be closed nor phased out and no evidence has since been produced to cause us to modify that view. However, last year officials were asked to carry out a further examination of the effects of the fishery and on the basis of that examination I and my right hon. and noble Friend the Minister of State at the Scottish Office are reviewing the management arrangements. We shall announce our conclusions when we have completed our review.

EMPLOYMENT

Asbestos

Mr. Michie asked the Secretary of State for Employment what role monitoring of organisations to which licences have been issued under the Asbestos (Licensing) Regulations 1983 plays in the maintenance of safety in asbestos stripping operations.

Mr. Peter Bottomley: Licensees required to notify contracts have been advising enforcement authorities of their jobs in advance.

The majority of visits by enforcement authorities are made before the work of asbestos removal starts, which meets the intention behind the requirement for 28 days' notification. Inspectors can them satisfy themselves that the work will be done in accordance with the approved code of practice and guidance note on work with asbestos insulation and asbestos coating.

Some visits are made during the stripping work. Inspectors can then check whether the approved code is being observed during the work. I am advised by the chairman of the Health and Safety Commission that this allows the enforcing authorities to identify those licensees who work well, and those who do not. The hon. Member will be aware of recent publicity following a prosecution in the Warrington area; other prosecutions have taken place.

Mr. Michie asked the Secretary of State for Employment why a requirement to notify the Health and Safety Executive prior to asbestos removal operations was imposed by a majority of the licences issued under the Asbestos (Licensing) Regulations 1983.

Mr. Peter Bottomley: To ensure that the Health and Safety Executive is aware of those contractors who carry out work with asbestos insulation, the condition of prior notification is included on most licences. This is in accordance with the recommendations in the first report of the advisory committee on asbestos, "Asbestos: work on thermal and acoustic insulation and sprayed coatings".

Mr. Michie asked the Secretary of State for Employment how many enforcement notices have been issued against asbestos removal organisations for each of the Health and Safety Executive's 21 areas up to 31 October 1984 following site visits made to asbestos removal operations.

Mr. Peter Bottomley: The Asbestos (Licensing) Regulations 1983 came into effect on 1 August 1984. From that date, until 31 October 1984, the number of enforcement notices issued, by HSE areas, is as follows:

	Number
Area 03: South-East	15
Area 05: London North-East	1
Area 06: London South	2
Area 08: Northern Home Counties	6
Area 09: East Midlands	1
Area 14: South Yorkshire and Humberside	3
Area 16: Greater Manchester	5
Area 17: Merseyside	1
Area 18: North-West	1
Area 19: North-East	5
Area 20: Scotland East	15

No enforcement notices have been issued in the remaining 10 areas.

Mr. Michie asked the Secretary of State for Employment why, for the period up to 31 December 1984, the proportion of asbestos removal jobs notified to Health and Safety Executive area offices as a result of requirements imposed on removal organisations by licences issued under the Asbestos (Licensing) Regulations 1983 which have received site visits varies as between 4·8 per cent. in Health and Safety Executive area 2, 8·6 per cent. in area 3, 12·8 per cent. in area 7, 35·8 per cent. in area 15, 59·4 per cent. in area 12 and 72·3 per cent. in area 20.

Mr. Peter Bottomley: Figures are available only up to 31 October 1984. Variations in response to notifications are the result of several factors. Many of the contracts notified were of very short duration, and of low risk, so that a visit by an inspector was not needed.

In some areas many notifications came from a small number of contractors who were well known to inspectors. This meant that relatively few visits were necessary to deal with a large number of notifications. In one area, for example, seven licensees sent in about two thirds of the notifications. Some unnecessary notifications were sent by contractors during the early period of operation of the new procedures and these did not merit investigation.

Correspondence

Mr. Winnick asked the Secretary of State for Employment when the Parliamentary Under-Secretary of State, the hon. Member for Plymouth, Sutton (Mr. Clark) will be replying to the last letter the hon. Member for Walsall, North wrote to him regarding answering parliamentary questions on unemployment statistics; and if he will make a statement.

Mr. Alan Clark: I replied to the hon. Member's letter yesterday.

PRIME MINISTER

Unemployment

Q9. **Mr. Teddy Taylor** asked the Prime Minister what assessment was made by the Ministers at the Fontainebleau summit of the impact on unemployment of the increase in public expenditure which will stem from their decisions on own resources.

The Prime Minister: The Fontainebleau and Dublin European Councils agreed rules on budgetary discipline to restrict the future growth of the Community budget in line with the Member States' economic capacity to finance it. The new abatement system will also substantially reduce the United Kingdom's net contributions below what they would otherwise have been and keep our VAT rate below 1 per cent. The agreements are thus fully consistent with the Government's policy for improving economic growth and job prospects by better control of public expenditure.

Norwich

Q14. **Mr. Patrick Thompson** asked the Prime Minister if she has any plans to visit the city of Norwich during 1985.

The Prime Minister: I have at present no plans to do so.

Economic Policy (Departmental Co-ordination)

Q49. **Mr. Dykes** asked the Prime Minister if she is satisfied with the co-ordination between Government Departments in the promotion of policies designed to secure economic growth and a reduction in unemployment.

The Prime Minister: There is always room for improvement.

Manchester International Airport

Q56. **Mr. Favell** asked the Prime Minister if she plans to visit Manchester international airport.

The Prime Minister I have at present no plans to do so.

Ministerial Decisions

Q85. **Sir David Price** asked the Prime Minister if she will instruct Ministers, when informing hon. and right hon. Members that a decision on a particular matter is to be taken shortly, to give also a more precise indication of the time scale within which an announcement may be expected.

The Prime Minister: Ministers endeavour to be as helpful as possible and I hope that where it is clear that a decision can be taken within a particular period, Members are so informed. But time scales are not always precise enough for this to be practicable.

Merseyside (Government Expenditure)

Sir Anthony Grant asked the Prime Minister if she will bring up to date the figures about Government expenditure on Merseyside contained in her letter to the hon. Member for Cambridgeshire, South-West of 16 March 1984 and publish the same in the *Official Report*.

The Prime Minister: Figures for expenditure in Merseyside by Government Departments and other public bodies for the years 1979-80 to 1984-85 (estimated outturn) are as follows:

Government Expenditure in Merseyside

£ million cash

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85 Estimated Outturn*
Government Departments and other Public Bodies: Main Programmes						
DHSS: Hospital and Community Health Services*	201	255	281	298	307	325
Department of Industry: Grants and expenditure towards industrial investment†	72	100	126	102	73	73
Manpower Services Commission‡	n/a	n/a	53	67	72	76
Housing Corporation‖	36	41	44	55	52	51
Merseyside Development Corp (established 1981-82)	—	—	6	21	32	30
Department of Transport: Grants, loans and guarantees to Mersey Docks and Harbour Company	—	—	26	71	39	8
New Towns (Skelmersdale and Runcorn): Gross capital investment	19	18	15	12	17	17
Historic buildings and conservation grants: offers made	0	1	1	1	1	1
Voluntary schools: Expenditure eligible for DES grant	n/a	n/a	0	2	3	3
Sports Council Grants¶	0	0	0	1	1	1
Exchequer Support for Local Authority Expenditure: Main Grants						
Rate Support Grant•	302	360	378	371	381	368
Transport Supplementary Grant	19	20	26	30	31	27
Housing Subsidies	63	70	47	40	19	28
Derelict Land Grant•	1	2	3	7	10	8
Urban Programme Grant	5	10	11	15	•18	25
Total: Main Programmes & Grants	718	877	1,017	1,093	1,056	1,041

* 5 District Health Authorities in Merseyside area (Wirral, Liverpool, St. Helens and Knowsley, South Sefton, North Sefton); expenditure on hospital and community health services. The figures up to and including those for 1983-84 include balances in the authorities' accounts. The figures for 1984-85

exclude such items.
† Grant (offers made) to support capital investment by companies in the Merseyside area, defined as the travel-to-work areas of Birkenhead (including Ellesmere Port and Halton), Liverpool, Widnes, St. Helens and Southport; and expenditure by the English Industrial Estates Corporation in the Merseyside area.
‡ Figures include some grant-aided expenditure by local authorities.
‖ Figures relate to Corporation's Merseyside Region. Figures for 1979-80 to 1981-82 are estimates.
¶ About two-thirds of grants are on local authority projects.
●Merseyside Metropolitan County Council, plus District Councils within the County (Knowsley, Liverpool, St. Helens, Sefton and Wirral). The Rate Support Grant system changed in 1981/82. Figures for earlier years are not on a comparable basis. The figures for 1979-80 and 1980-81 comprise needs, resources and domestic elements. The figures for later years comprise block grant and domestic rate relief grant. Figures for 1979-80 to 1981-82 are final entitlements. Figures for 1982-83 onwards are latest estimates after holdback.
■ Figures cover Merseyside MCC area plus Districts of Ellesmere Port and Halton.
• Provisional figure.

The table does not cover expenditure by nationalised industries or statutory undertakers (other than Government payments to the Mersey Docks and Harbour Company), or payments such as social security benefits, which go to individuals rather than areas. Figures for local authority expenditure in the area since 1979-80 are:

Total local authority expenditure, Merseyside (£ million cash)*

	Capital†	*Current‡*
1979-80	125	n/a
1980-81	134	n/a
1981-82	118	676
1982-83	174	724
1983-84	247	‖765
1984-85 (budget figure)	n/a	823

* Merseyside metropolitan county council, plus district councils within the county (Knowsley, Liverpool, St. Helens, Sefton, Wirral).
† Covers all expenditure charged to capital accounts (rate fund, housing and trading services) less receipts from other local authorities under agency agreements or other arrangements.
‡ Covers employee costs and running expenses on rate fund services, plus the rate fund contribution to trading services, less income from sales, fees, charges, interest receipts on service balances, and non-relevant specific grants. It does not include contributions to the Housing Revenue Account or special funds.
‖ Provisional figure.

Family Income Supplement

Mr. Deakins asked the Prime Minister how many employees whose pay is subject to wages council regulation are receiving family income supplement.

The Prime Minister: I regret that the information requested is not available.

Engagements

Mr. Tony Lloyd asked the Prime Minister if she will list her official engagements for Thursday 24 January.

Mr. Yeo asked the Prime Minister if she will list her official engagements for 24 January.

Mr. Parry asked the Prime Minister if she will list her official engagements for Thursday 24 January.

Mr. Greenway asked the Prime Minister if she will list her official engagements for 24 January.

The Prime Minister: I refer the hon. Gentleman and my hon. Friends to the reply that I gave earlier today to the hon. Member for Tyne Bridge (Mr. Cowans).

NATIONAL FINANCE

Transport (VAT)

9. **Mr. Caborn** asked the Chancellor of the Exchequer how many representations he has received regarding the possible imposition of value added tax on transport.

Mr. Hayhoe: About 20 letters.

Oil Revenues

11. **Sir William van Straubenzee** asked the Chancellor of the Exchequer what effect he calculates the current value of the pound sterling against the dollar will have in respect of oil revenues for the year 1984-85.

Mr. Ian Stewart: The 1984 Autumn Statement forecast of total tax take from the North sea in 1984-85 is £12 billion, £1·8 billion higher than expected at the 1984 Budget. Sterling oil prices in 1984 have been much as expected at the Autumn Statement.

16. **Mr. Austin Mitchell** asked the Chancellor of the Exchequer if he will estimate the increased tax revenue from North sea oil available to the Government for each one per cent. fall in the pound sterling against the dollar.

Mr. Ian Stewart: In practice, the dollar oil price and value of sterling tend to move in the same direction. However, it is estimated that, other things being equal, a 1 per cent. fall in the dollar/sterling exchange rate would increase North sea revenues by about £150 million in a full year.

Income Tax

18. **Mr. Nicholas Baker** asked the Chancellor of the Exchequer if he is satisfied with the speed and efficacy with which tax offices deal with ordinary income tax cases.

Mr. Hayhoe: Although in general tax offices are operating efficiently, there have been accumulations of work in certain areas giving rise to some delays. Every effort is being made to overcome these arrears.

Tax Cuts (Job Creation)

19. **Mr. Tony Lloyd** asked the Chancellor of the Exchequer if he will make a statement about the impact of tax cuts on unemployment.

Mr. Ian Stewart: Income tax cuts will stimulate initiative and enterprise, ease the unemployment and poverty traps, and exert a moderating influence on wages. This provides the best route to a sustained increase in output and employment, and reduction in unemployment.

Building Alterations (VAT)

20. **Mr. Parry** asked the Chancellor of the Exchequer what recent representations he has received concerning the imposition of value added tax on building alterations.

Mr. Hayhoe: Treasury Ministers continue to receive a number of representations from businesses and consumers affected by the change.

Pension Funds (Taxation)

21. **Mr. Amess** asked the Chancellor of the Exchequer how many representations he has received concerning tax exemptions in relation to pension funds.

23. **Mr. Patrick Thompson** asked the Chancellor of the Exchequer what recent representations he has received concerning the tax treatment of pension benefits and lump sums.

48. **Mr. Tom Cox** asked the Chancellor of the Exchequer what recent representations he has received expressing concern at possible taxation of lump sum payments.

Mr. Ian Stewart: A considerable number of letters about pension provisions have been received, in addition to representations from various trade associations and representative bodies.

Infrastructure (Capital Investment)

22. **Mr. Meadowcroft** asked the Chancellor of the Exchequer what evaluation he had done of the effect on employment of capital investment in infrastructure.

Mr. Peter Rees: Additional public expenditure on capital investment in infrastructure without offsetting savings would not create lasting jobs because it would raise interest rates and inflation.

National Economic Development Council

24. **Mr. Soames** asked the Chancellor of the Exchequer if he will make a statement on the National Economic Development Council meeting held on 9 January.

Mr. Peter Rees: I refer my hon. Friend to the reply that my right hon. Friend the Chancellor of the Exchequer gave to the hon. Member for Aberdeen, North (Mr. Hughes).

Southampton Freeport

25. **Mr. Chope** asked the Chancellor of the Exchequer if he will make a statement on the functioning of the Southampton freeport.

Mr. Hayhoe: Following designation by Treasury order as one of the six experimental free zones, Southampton freeport opened for business on 6 August last year. Commercial development of the zone is the responsibility of the zone operator.

Privatisation

26. **Mr. Kirkwood** asked the Chancellor of the Exchequer if he will give the net income to the Treasury of all privatisation since 1979.

Mr. Peter Rees: Net receipts from special sales of assets since 1979 amount to around £4,900 million.

Inflation

27. **Mr. Tim Smith** asked the Chancellor of the Exchequer what is the current rate of price inflation.

Mr. Ian Stewart: The increase in the retail prices index over the 12 months to December was 4·6 per cent.

Tax Cuts (Imports)

28. **Mr. Sedgemore** asked the Chancellor of the Exchequer if he will make a statement about the impact of tax cuts on imports.

Mr. Moore: Tax cuts will raise disposable incomes and spending, and part of the additional spending will be on imports. But they will also improve the supply performance of the economy, increasing exports and encouraging import substitution.

Infrastructure

29. **Mr. Hayes** asked the Chancellor of the Exchequer if he has any plans to improve the United Kingdom infrastructure.

Mr. Peter Rees: Total capital investment in this country is already running at a record level. The recently published public expenditure White Paper (Cmnd. 9428), shows that the public sector is spending substantial sums on the nation's infrastructure.

Pound Sterling

30. **Mr. Wareing** asked the Chancellor of the Exchequer what are his plans to arrest the depreciation of the pound sterling in relation to the US dollar and other currencies; and if he will make a statement.

Mr. Ian Stewart: I have nothing to add to my right hon. Friend the Chancellor of the Exchequer's statement on 14 January at column 23.

Local Authorities (Expenditure)

31. **Mr. Chris Smith** asked the Chancellor of the Exchequer what impact he expects there to be on the public sector borrowing requirement of the Government's December decision to restrict local authority expenditure from their capital receipts.

Mr. Peter Rees: The decisions announced by my right hon. Friend the Secretary of State for the Environment on 18 December were designed to keep local authority capital spending in 1985-86 to the level provided for in the Government's expenditure plans.

Economic Progress

32. **Mr. Knox** asked the Chancellor of the Exchequer whether there have been any further signs of an increase in economic activity.

Mr. Peter Rees: Yes. Making allowance for the coal strike, in the third quarter of 1984 GDP was around 3 per cent. above its 1983 third quarter level. In the three months to November 1984 manufacturing output rose by an estimated 1¼ per cent. to reach a level 8½ per cent. above its trough in the first quarter of 1981.

Whisky Industry

33. **Mr. Wallace** asked the Chancellor of the Exchequer what representations he has received from the whisky industry regarding the burden of taxation on the industry.

Mr. Hayhoe: I have received a number of representations from the whisky industry complaining about the burden of both direct and indirect taxation.

Wage Cuts (Economic Effects)

34. **Mr. Lofthouse** asked the Chancellor of the Exchequer what estimate he has made of the effect that real wage cuts have on the economy.

Mr. Peter Rees: The most important effect that a fall in real wages would have on the economy would be on employment. An estimate of this was given to the House by my right hon. Friend the Chancellor of the Exchequer on 30 October 1984 at column 1183.

Air Crews (Duty-free Allowance)

35. **Mr. David Atkinson** asked the Chancellor of the Exchequer if he will bring the duty-free allowance for air crew in line with that allowed for other travellers.

Mr. Hayhoe: No.

Public Expenditure

36. **Mr. Allan Roberts** asked the Chancellor of the Exchequer by how much public expenditure has been altered in real terms since 1979.

Mr. Peter Rees: The 1985 public expenditure White Paper (Cmnd. 9428) shows in table 2.6 that the public expenditure planning total has increased in real terms from £111·8 billion in 1979-80 to an estimated outturn of £122·3 billion in 1984-85 (1983-84 prices).

Construction Industry (VAT)

37. **Mr. Heddle** asked the Chancellor of the Exchequer what discussions he has had with representatives of the construction industry about the effect of the European Economic Community sixth directive in respect of value added tax on non-domestic construction work.

Mr. Hayhoe: My right hon. Friend the Chancellor had two meetings last year with representatives of the Building Employers Confederation at which they made clear their concern about the possible loss of zero-rating.

£1 Notes

38. **Mr. Janner** asked the Chancellor of the Exchequer what is the number of £1 notes at present in circulation.

Mr. Ian Stewart: Approximately 554 million.

Books and Newspapers (VAT)

39. **Mr. Bruce** asked the Chancellor of the Exchequer how many representations he has received concerning the possible imposition of value added tax on books and newspapers.

46. **Mr. Barron** asked the Chancellor of the Exchequer what recent representations he has received on the proposed introduction of value added tax on the book publishing and newspaper industry.

49. **Sir John Farr** asked the Chancellor of the Exchequer what further representations he has had in relation to the imposition of value added tax on the printed word.

Mr. Hayhoe I refer to the answer I gave to my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on 9 January 1985 at column 484. Since then, Treasury Ministers have received a further 300 representations arguing against the imposition of VAT on books, newspapers and periodicals.

Manufacturing Industry

40. **Mr. Nellist** asked the Chancellor of the Exchequer if he will make a statement about the level of investment and production in manufacturing industry.

Mr. Peter Rees: Investment by manufacturing industry was up nearly 15 per cent. in the first three quarters of 1984 compared with the same period of 1983. The December DTI investment intentions survey indicated that manufacturing investment should rise by a substantial 7 per cent. in 1985 compared with 1984. Growth in manufacturing output in the three months to November 1984 was up 3¼ per cent. on the same period in 1983. It is now 8½ per cent. above its 1981 trough.

Johnson Matthey Bankers

41. **Mr. Corbyn** asked the Chancellor of the Exchequer if he will make a statement about the latest cost of the Johnson Matthey bank rescue.

45. **Mr. Skinner** asked the Chancellor of the Exchequer if he will make a statement on the latest figures for the Bank of England's financial commitment arising out of the rescue of Johnson Matthey.

Mr. Ian Stewart: This is a matter for the Bank of England.

Industrial Competitiveness

42. **Mr. Favell** asked the Chancellor of the Exchequer what fiscal proposals he has to increase industry's competitiveness.

Mr. Peter Rees: My right hon. Friend will keep industry's competitive position along with other factors in mind when considering his Budget proposals.

Tax Cuts (Economic Demand)

43. **Mr. Bermingham** asked the Chancellor of the Exchequer if he will make a statement regarding the impact of tax cuts on the level of demand in the United Kingdom economy.

Mr. Peter Rees: Tax cuts will raise demand in the short term. But the important effects in the longer term are on the supply side.

Coal Industry Dispute

44. **Mr. Strang** asked the Chancellor of the Exchequer what is his latest estimate of the cost to the economy of the dispute in the mining industry.

Mr. Peter Rees: I have nothing to add to the answer I gave to the hon. Gentleman on 15 November 1984 at column *324*. Cmnd. 9428, presented to Parliament on Tuesday 22 January, was prepared on the same basis, and it is too soon to give any new estimate.

Wage Cuts (Job Creation)

47. **Mr. Nicholas Brown** asked the Chancellor of the Exchequer if he will publish the evidence on which he said on 13 December 1984, *Official Report*, column 1194, that each 1 per cent. reduction in the rate of increase of real pay would be likely, in time, to add between 150,000 and 200,000 new jobs.

Mr. Peter Rees: A survey of the evidence will be published by the Treasury very shortly.

Management Consultants

50. **Mr. Boyes** asked the Chancellor of the Exchequer for what purposes his Department has employed the services of any management consultants since 1979.

Mr. Hayhoe: Management consultants have been employed for five studies since 1979: the evaluation of pay data; advice on nationalised industry board remuneration; the new management accounting and information system; monitoring the freeports system; and, jointly with the Home Office, on the efficiency of prison industries.

Common Market (VAT Resources)

51. **Mr. Teddy Taylor** asked the Chancellor of the Exchequer what estimate has been made of the effect on the economies of the United Kingdom and Europe of the increase in public expenditure involved in the recent decision of the Council of Ministers to increase the value added tax resources of the Common Market by 40 per cent. in real terms.

Mr. Ian Stewart: The agreement at Fontainebleau to increase the VAT ceiling from 1 to 1·4 per cent. was taken into account in the projection of the United Kingdom's net payments to Community institutions contained in the public expenditure White Paper published on 22 January. Because the United Kingdom's contribution will be reduced by an abatement, the Fontainebleau agreement actually provides for a maximum increase in VAT own resources of substantially less than the full 1·4 per cent. By resolving the budget problem, the Fontainebleau agreement should now allow the Community to concentrate on achieving a genuine common market in goods and services, leading to more efficiency in the economies of Britain and other member states.

Corporation Tax

52. **Mr. Wainwright** asked the Chancellor of the Exchequer what is the total amount of agreed losses for corporation tax purposes which are currently available to be carried forward into future computations of corporation tax.

Mr. Moore: About £25 billion, excluding the public sector.

Deceased Persons (Estates)

Mr. Butterfill asked the Chancellor of the Exchequer if he will estimate the number in each of the last five years of estates of deceased persons having a net probate value, excluding where it passes to a surviving spouse the value of his house or flat and household effects of less than *(a)* £1,000, *(b)* £1,500 and *(c)* £2,000.

Mr. Moore: The information available centrally does not allow estimates to be made in the detail requested. However, between the financial years 1978-79 and 1982-83 some 350,000 to 400,000 deaths each year did not result in an application for probate because the solely owned assets of the deceased were too small to need it —as may be the case where there are jointly owned assets passing by survivorship, for which probate is not required. Of the 250,000 to 300,000 deaths a year resulting in probate applications, approximately 35,000 owned less than £1,000, approximately 15,000 owned between £1,000 and £1,500 and another 15,000 between £1,500 and £2,000, in each case excluding any house and contents. It is not known how many of them left surviving spouses.

Value Added Tax Tribunals

Mr. McCrindle asked the Chancellor of the Exchequer if he has any plans to seek powers for value added tax tribunals to examine the imposition of penalties by the Commissioners of Customs and Excise; and if he will make a statement.

Mr. Hayhoe: The Government's proposals concerning the role of the VAT tribunals in relation to the proposed penalties are contained in draft clause 15 of appendix 5 to the consultative paper "The Collection of Value Added Tax" published by Customs and Excise in November last year. Views expressed in response to the consultative paper will be taken into account when final decisions are made prior to publication of the 1985 Finance Bill.

Obscene Publications (Imports)

Mr. Chris Smith asked the Chancellor of the Exchequer if he will place in the Library a copy of the guidance notes issued by Her Majesty's Customs and Excise to customs officers in respect of their actions relating to the importation of indecent or obscene books.

Mr. Hayhoe: I refer the hon. Member to the final part of the answer I gave on 4 December 1984, at column 177, to the hon. Member for Holborn and St. Pancras (Mr. Dobson). It is not the practice to publish the Department's internal standing instructions.

Revenue Statistics

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer if he will publish figures tabulating for 1982-83 and 1983-84 revenue from each of the following: *(a)* income tax, *(b)* employers' national insurance contributions, *(c)* employees' national insurance contribution, *(d)* self-employed national insurance contribution, *(e)* voluntary class III contributions, *(f)* state scheme premiums and *(g)* advance corporation tax.

Mr. Moore: The table gives the revenue received by central Government from the following:

£ million

	1982-83	1983-84
Income tax	30,474	31,280
Employers' national insurance contributions	8,750	9,634
Employees' national insurance contributions	7,220	8,243
Self-employed national insurance contributions	412	487
Voluntary Class III contributions	18	26
State scheme premiums	264	280
Advance corporation tax	2,222	2,137

Press Releases

Mr. Tim Smith asked the Chancellor of the Exchequer how many copies of each of their press releases are normally issued by the Inland Revenue and Her Majesty's Customs and Excise, respectively; and what arrangements are made for their dissemination.

Mr. Hayhoe: The Inland Revenue normally issues some 3,250 copies of each of its press releases—to the national and main provincial media (including radio and television) through the news distribution service (NDS) of the Central Office of Information, and by direct post to specialist and technical publications and representative bodies and to subscribers to the departmental mailing list.

Customs and Excise press releases are intended primarily for the media and publication points; about 1,100 are issued of each. The NDS of the COI is used for distribution to television and radio outlets, to the national and provincial press and to certain trade and specialist journals. Copies can also be obtained by interested parties from the NDS on a subscription basis. In addition, Customs and Excise distributes copies by direct post to other trade and technical outlets — including the accountancy and legal press — and to professional bodies.

EC (Sixth Directive 77/388)

Mr. Hannam asked the Chancellor of the Exchequer what is the status of the sixth EEC directive (77/388/EEC) in Britain; and what implications sub-paragraphs *(b)*, *(g)*, *(h)*, *(i)*, *(l)*, *(m)* and *(n)* of article 13 A1 have for charitable organisations in the United Kingdom.

Mr. Hayhoe: The sixth directive was a VAT harmonisation measure made pursuant to articles 99 and 100 of the treaty of Rome and adopted by the Council on 19 May 1977. Under article 189 of the treaty, a directive is binding as to the result to be achieved upon each member state to which it is addressed, but the choice of form and method is left to the national authorities. It is accepted in law that certain provisions of a directive which have not been implemented by a member state can be directly invoked by an appellant if they are applicable to his case.

Article 13 A 1 *(b)*, *(g)*, *(h)*, *(i)*, *(l)*, *(m)* and *(n)* of the sixth directive provides exemption for particular supplies of goods and services subject to conditions laid down in the article. Sub-paragraphs *(m)* and *(n)* are subject to the transitional provisions in article 28 3*(a)* and annex E, and the supplies in question may continue to be taxed. The remaining sub-paragraphs provide exemption for a range of goods and services supplied in the public interest by bodies which may include charities; the great majority of these supplies are already exempt or otherwise relieved in the United Kingdom. However, in a recent appeal heard by the High Court—the Yoga for Health Foundation *v.* the Commissioners of Customs and Excise — it was ruled that certain residential courses in therapeutic yoga were covered by the exemption provided for in article 13 A 1 *(g)*. These courses have now been relieved, and I am now considering what changes in the legislation governing exemption from VAT may be necessary as a consequence of the decision.

Personal Tax Allowances

Mr. Yeo asked the Chancellor of the Exchequer if he will re-calculate the figures given in his answer to the hon. Member for Hornchurch (Mr. Squire) on 20 December, *Official Report*, column *321*, about personal tax allowances assuming no increase on top of indexation in the levels at which higher rates of income tax become payable.

Mr. Moore: I shall let my hon. Friend have a reply as soon as possible.

Exchange Rate (Profits and Losses)

Mr. Yeo asked the Chancellor of the Exchequer if, in the light of the decision in Pattison *v.* Marine Midland Ltd., he will make a statement on the treatment for tax purposes of profits and losses resulting from exchange rate fluctuations.

Mr. Moore: The Inland Revenue is, with my approval, issuing a provisional statement of practice on the tax treatment of profits and losses which result from exchange rate fluctuations. The provisional statement is put forward as a practical guide to facilitate the preparation and agreement of tax computations in the light of the decision in the Marine Midland case. I am placing a copy of it in the Library of the House. I have authorised the Revenue to consult interested parties on the scope and content of the provisional statement, on the basis of the law as it stands, and to issue a definitive statement of practice in due course in the light of any comments received. In the meantime, the Revenue will be prepared, if the taxpayer wishes, to settle tax liabilities on the basis of the practice outlined in the provisional statement.

TRADE AND INDUSTRY

British Telecom

86. **Mr. Clwyd** asked the Secretary of State for Trade and Industry if he will make a statement about the total cost of the British Telecom flotation.

Mr. Butcher: In the answer I gave to the hon. Member for Dagenham (Mr. Gould) on 27 November 1984, at columns 435-36, I said that the costs that could be estimated at that time were about £128 million. I can now add to that the value of free and matching shares supplied to British Telecom employees, which was £51·5 million, and the cost of receiving bank and initial registration work which is estimated at about £10 million.

Cheese (Imports)

Mr. Wigley asked the Secretary of State for Trade and Industry if he will publish a table showing the volume of imported cheese by country of origin, for the most recent 12-month period for which figures are available.

Mr. Channon: The available information is as follows:

November 1983—October 1984

Country of Consignment	*Thousand Tonnes*
Irish Republic	48·5
Federal Republic of Germany	22·0
Netherlands	21·3
Denmark	15·0
Belgium-Luxembourg	12·3
France	10·8
New Zealand	7·1
Australia	3·6
Canada	3·1
Italy	2·3
Austria	1·4
Switzerland	1·1
Other countries	0·7
Total trade	149·2

Source: data corresponding to SITC(R2) (Cheese and Curd) in the United Kingdom *Overseas Trade Statistics*.
Notes:
(a) Corresponding information by country of origin could be provided only at disproportionate cost.
(b) Owing to rounding, there may be some discrepancy between the figure for total trade and the sum of constituent items.

Inflation Accounting

Mr. Tim Smith asked the Secretary of State for Trade and Industry what discussions have taken place between officials of his Department and representatives of the Accounting Standards Committee about the possibility of giving legislative backing to an accounting standard for inflation accounting.

Mr. Fletcher: My officials are frequently in contact with the Accounting Standards Committee about a range of topics. A recent meeting included discussions on the prospects for an accounting standard for inflation accounting.

Overseas Trade Fairs

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he has any plans to increase the amount of assistance which is available from his Department to enable British manufacturers to take part in overseas trade fairs.

Mr. Channon: Proposals for expenditure on export promotion services over the next few years, including support for groups at overseas trade fairs, are set out in a consultation document issued by the British Overseas Trade Board on 3 December 1984 to organisations representing industry and commerce. The document is available in the library of the House.

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry how much assistance was given to British manufacturers *(a)* in the United Kingdom and *(b)* in the north-west to enable them to take part in overseas trade fairs in each of the last five years for which figures are available.

Mr. Channon: Relevant details are not readily available to distinguish between the north-west and other areas, nor are they available to differentiate between manufacturers and other exporters. The overall figures for assistance given by the British Overseas Trade Board to groups of British exporters at overseas exhibitions for the last five financial years are as follows:

	Number of exhibitions at which support was given	*Number of exhibitors supported*	*Net cost to BOTB (£ thousand)*
1979-80	360	8,223	12,100
1980-81	333	7,178	9,023
1981-82	348	7,366	11,122
1982-83	360	7,318	11,273
1983-84	366	7,509	10,890

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will list all those businesses based in the north-west which have recently received assistance from his Department to enable them to take part in overseas trade fairs.

Mr. Channon: BOTB support at overseas trade fairs was provided to 430 exhibitors from the north-west during 1984. That figure includes support at more than one exhibition for some companies. I will send a list of the exhibitors to my hon. Friend as soon as possible.

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what assistance is available from his Department to enable British manufacturers to take part in overseas trade fairs.

Mr. Channon: For events it supports the British Overseas Trade Board will arrange and pay for the provision of space and appropriate stands at an overseas exhibition. A proportion of the costs will be charged to exhibitors in the BOTB group, normally with lower rates for newcomers to the event and for firms exhibiting there for the second time. In addition, assistance towards travel costs for up to two representatives of each company in the groups is at present available at exhibitions outside most of Western Europe. Details are given in the BOTB consultation document dated 3 December 1984.

The whole range of other services provided by the BOTB and diplomatic commercial staff overseas is also available.

Outward Missions Scheme

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what has been the total expenditure upon the outward missions scheme in each of the last five years for which figures are available; and how much of this was spent on firms based in the north-west of England in each of those years.

Mr. Channon: The total expenditure upon the outward mission scheme in each of the last five years for which figures are available is as follows:

	£
1979-80	959,000
1980-81	838,000
1981-82	1,051,000
1982-83	1,048,000
1983-84	1,536,000

With the exception of 1979-80, for which records are not readily available, the amount spent on firms based in the north-west of England was as follows:

	£
1980-81	84,961
1981-82	99,080
1982-83	91,535
1983-84	123,020

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will list all those firms based in the north-west of England which have received assistance under the outward missions scheme in the last year for which details are available.

Mr. Channon: In 1984 some 226 firms based in the north-west of England participated in outward missions with assistance from the British Overseas Trade Board, 62 of them more than once. I shall write to my hon. Friend as soon as possible with a list of the firms.

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will list those countries which are not covered by the outward missions scheme; and what are the reasons for each exception.

Mr. Channon: I shall reply to my hon. Friend as soon as possible.

Market Entry Guarantee Scheme

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what has been the total expenditure upon the market entry guarantee scheme in each of the years since its introduction; and how much of these funds in each of those years was paid to firms operating in the north-west of England.

Mr. Channon: The figures are as follows:

Gross Expenditure Under the Market Entry Guarantee Scheme (financial years ended 31 March—) in £000s

	Total	*Amount received by firms located in the North West Region*
	£	£
1978-79	274	78
1979-80	864	86
1980-81	1,222	122
1981-82	1,482	144
1982-83	1,857	158
1983-84	2,185	324

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will list all those firms which are currently based in the north-west of England which have received assistance under the market entry guarantee scheme in the last year for which details are available.

Mr. Channon: Applications for assistance under the market entry guarantee scheme are regarded as being confidential between the Department and firms. It is therefore not possible to provide the names of firms in the north-west. However, 65 firms were offered assistance under the scheme in 1984 and four of them were in the north-west.

Export Marketing Research Service

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry what has been total Government expenditure upon the export marketing research service in each of the years since its introduction; and what percentage of this expenditure was accounted for by grants towards the cost of research undertaken by firms based in the north-west of England in each of those years.

Mr. Channon: Figures for total gross expenditure under the scheme are given for the financial years 1969-70 to 1983-84. It is not possible, without disproportionate cost, to provide information about the expenditure on firms in the north-west for each of those financial years. However, figures are given for the last three financial years.

Gross expenditure under the export marketing research scheme

Financial year	*Total expenditure*	*North-West Region Expenditure*	*Percentage share (by value)*
	£'s	£'s	*per cent.*
1969-70	9,900	—	—
1970-71	54,500	—	—
1971-72	37,400	—	—
1972-73	174,000	—	—
1973-74	299,400	—	—
1974-75	184,000	—	—
1975-76	302,000	—	—
1976-77	334,896	—	—
1977-78	413,892	—	—
1978-79	547,237	—	—
1979-80	492,683	—	—
1980-81	309,471	—	—
1981-82	455,731	32,222	7·1
1982-83	1,076,964	74,355	7·0
1983-84	2,228,957	237,929	10·7

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will list all those firms based in the north-west of England which have received assistance under the export marketing research service in the last year for which figures are available.

Mr. Channon: Applications for assistance under the export marketing research scheme are regarded as being confidential between the Department and firms. It is therefore not possible to provide the names of firms in the north-west. However, of the 1,181 applications approved under the scheme in 1984, 87 were from firms located in the north-west region.

EC (Regional Policy Expenditure)

Mr. Ron Davies asked the Secretary of State for Trade and Industry if he will estimate the total spending on regional policy by central Government in each member state of the EEC for each of the last five years for which information is available.

Mr. Trippier: The following is the information requested and has been supplied by the centre for the study of public policy, University of Strathclyde, Glasgow, from work sponsored, in part, by the Department.

Main regional incentives: Expenditure by Central Government in Member States of the EEC (Sterling, 1975 prices) 1978-82*

Country	*Expenditure committed (£ million, 1975 prices, 1975 PPP)†*				
	1978	*1979*	*1980*	*1981*	*1982*
Belgium	47·5	46·8	31·6	52·8	‡n/a
Denmark	4·0	3·4	3·4	3·3	3·5

Country	Expenditure committed (£ million, 1975 prices, 1975 PPP)† 1978	1979	1980	1981	1982
France	55·0	110·4	71·9	48·7	49·9
Germany	189·9	213·0	190·0	182·3	163·5
Ireland	77·4	95·0	77·0	82·8	59·3
Italy	830·1	774·2	724·7	916·1	1,004·0
Luxembourg	0·5	3·0	4·9	2·0	5·9
Netherlands	35·0	47·5	46·3	39·3	45·7
United Kingdom	422·6	397·3	348·6	364·4	319·0

* The figures comprise the main regional incentives in each country. In total, 32 incentives are covered and are estimated to account for well over 90 per cent. of regional incentive expenditure by national Governments. They do not cover other aspects of regional policy such as the provision of infrastructure. Expenditure on advance factories in the United Kingdom is also excluded. (*Source:* page 8 and table 2, European Regional Incentives, Yuill, D. and Allen K. Centre for the Study of Public Policy, University of Strathclyde, 1984). Calculations are made on the basis of net grant equivalent expenditure. 1982 is the most recent year for which comparable data are available. Data are not available on a comparable basis for Greece.

† PPP (purchasing power parities). The figures have been calculated on the basis of a common currency (sterling) using the purchasing power parities of 1975 (See Eurostat, National Accounts ESA—Aggregates 1960—1979, Luxembourg).

‡ Data are not available for Belgium at the national level for 1982.

Mr. Ron Davies asked the Secretary of State for Trade and Industry if he will estimate the level of spending by central Government on regional policy in each member state of the EEC *(a)* in total and *(b)* per capita.

Mr. Trippier: The following is the information requested and has been supplied by the centre for the study of public policy, University of Strathclyde, Glasgow, from work sponsored, in part, by the Department.

Main regional incentives: Expenditure by central Government in member states of the EEC, 1982 (sterling, 1975 prices)*

Country	(1) Expenditure Commited £ million, 1975 prices, 1975 ppp† 1982	(2) Expenditure Per Head‡ £, 1975 prices, 1975 ppp 1982
Belgium	‖32·8	‖3·4
Denmark	3·5	0·7
France	49·9	0·9
Germany	163·5	2·7
Ireland	59·3	17·0
Italy	1,004·0	17·7
Luxembourg	5·9	16·1
Netherlands	45·7	3·2
United Kingdom	319·0	5·7

Notes:

* The figures comprise the main regional incentives in each country. In total, 32 incentives are covered and are estimated to account for well over 90 per cent. of regional incentive expenditure by national Governments. They do not cover other aspects of regional policy such as the provision of infrastructure. Expenditure on advance factories in the United Kingdom is also excluded. (Source page 8 and table 2, European Regional Incentives, Yuill, D and Allen, K, Centre for the Study of Public Policy, University of Strathclyde, 1984). Calculations are made on the basis of Net Grant Equivalent Expenditure. 1982 is the most recent year for which comparable data are available. Data are not available on a comparable basis for Greece.

† PPP (purchasing power parities). The figures in column (1) have been calculated on the basis of a common currency (sterling) using the purchasing power parities of 1975 (See Eurostat, National Accounts ESA —Aggregates 1960-1979, Luxembourg).

‡ The figures in column (2) have been calculated by expressing figures in column (1) on to a per capita basis using the total population figures for 1982 (source Eurostat, Eurostatistics Luxembourg, March 1984).

‖ Belgium figures refer to 1981. 1982 data are not available at a national level.

Asbestos

Mr. Murphy asked the Secretary of State for Trade and Industry whether the undertakings given following the Monopolies and Mergers Commission report on the supply of asbestos and asbestos products in 1973 have been reviewed.

Mr. Fletcher: Yes. My right hon. Friend has decided, in accordance with the advice of the Director General of Fair Trading, to release Turner and Newall plc from the last remaining undertaking given following the 1973 Monopolies and Mergers Commission report.

The commission found a number of Turner and Newall's policies and practices in the field of asbestos products to be against the public interest, and Turner and Newall gave four undertakings to the Secretary of State to remedy the detriments indentified by the commission. The company discharged its commitments under three of these undertakings some time ago and the only one remaining in force was an undertaking not to acquire any company which is a competitor or customer of Turner and Newall in asbestos products without the consent of the Secretary of State. The Director General of Fair Trading recently reviewed this undertaking in accordance with his responsibilities under the Fair Trading Act and recommended that Turner and Newall should be released from it.

The Director General reached his view in the light of changes in the market, including the declining importance of asbestos and the increasing number of substitutes from asbestos products, and of Turner and Newall's progress in achieving divestment of its asbestos mining interests. He commented that future substantial acquisitions by Turner and Newall could be scrutinised in accordance with the merger provisions of the Fair Trading Act.

My right hon. Friend accepted the Director General's recommendation and his advice that any future acquisition which resulted in a market share of 25 per cent. or more for Turner and Newall in the field of asbestos products should be looked at particularly closely.

Telecommunications for the Hearing-Impaired (Report)

Mr. Hannam asked the Secretary of State for Trade and Industry whether he will publish the first report of his Department's working group on telecommunications for the hearing-impaired.

Mr. Butcher: I have received the working group's first report and decided that it should be published. Copies of the report and accompanying press notice have been placed in the Library of the House.

I welcome the report and believe that the proposed code of practice, which the group is now preparing, will give real help to hearing-impaired people by providing designers of both telephones and hearing aids with the information they need to ensure that their products work together effectively.

FOREIGN AND COMMONWEALTH AFFAIRS

GCHQ (Staff)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs how many Government

communications headquarters staff have replied to the letters from management asking them where they want to go; and how many have refused to sign relevant forms.

Mr. Rifkind: Thirty-four staff have replied to letters from management asking them to indicate their preferences for a transfer. Forty-one staff have either not yet replied or have declined to indicate a preference.

Falkland Islands

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied with provision of doctors and flying doctor services in the Falklands.

Mr. Renton: The Falkland Islands Government, who are responsible for the civilian medical services of the Falkland Islands, have confirmed that they are satisfied with the present provision of three civilian doctors and with the flying doctor service, which has first claim on the use of the Government Air Service.

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs what role is envisaged for the airport at Port Stanley in the economic development of the Falklands.

Mr. Renton: We envisage that after the completion of the new airport at Mount Pleasant Port Stanley airport will continue to have an important role in providing a base for air communication within the islands.

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs if the airport at Port Stanley is to be used for the transport of air freight and civilian passengers; what representations he has received in this respect; and if he will make a statement.

Mr. Renton: The airport at Port Stanley has long been used for the transport of air freight and civilian passengers. Once the new Mount Pleasant airport is fully operational Port Stanley airport will continue to perform this function for internal traffic. We have received no representations on this matter.

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the recommendations made in the second Shackleton report in respect of an airport on the Falklands and its uses, indicating which of the recommendations have been carried out.

Mr. Renton: The Falkland Islands Economic Study 1982 (Cmnd. 8653) recommended that:

(a) the new runway should be not less than 8,500 feet; capable of receiving medium-haul jets direct from South American cities and DC 10s from Ascension Island.

(b) as a matter of the highest priority, steps be taken as politically appropriate to establish a civil external air service.

(c) the new air service be operated by a contract airline operator under the Falkland Islands Government. On the grounds of cost, taken together with the need for reasonable flexibility on onwards connections, the optimum service is considered to be via Punta Arenas.

The main runway of the new Mount Pleasant airport will meet the first of these recommendations.

We would welcome the resumption of commercial air links between the Falklands and the South American mainland, and hope these will evolve naturally.

Cyprus

Mr. John David Taylor asked the Secretary of State for Foreign and Commonwealth Affairs whether the United Kingdom's position as a guarantor power for Cyprus is the subject of negotiations in the context of the present inter-communal talks under the auspices of the United Nations' Secretary General in New York.

Mr. Renton: While the general question of guarantees for any settlement has been raised, we are not aware that the United Kingdom's role in this respect has been the subject of discussion.

Sexual Discrimination (Convention)

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has now received objecting to ratification by the British Government of the United Nations convention on the elimination of all forms of discrimination against women.

Mr. Renton: We have received 18 such representations since the beginning of 1984 from private individuals, Members of Parliament and members of interested organisations. In the same period we have received 33 representations urging the Government to ratify the Convention.

Indian Sub-continent (Ministerial Visit)

Mr. Nellist asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent visit of a Minister from his Department to the Indian sub-continent.

Mr. Renton: I visited Pakistan from 2 to 8 January and Bangladesh from 8 to 11 January at the invitation of the respective Governments.

I had useful talks on matters of mutual interest with senior members of both Governments and familiarised myself with the work of our missions, in particular on immigration matters.

Anglo-Israel Relations

Mr. Soames asked the Secretary of State for Foreign and Commonwealth Affairs what effect the further colonisation of the West Bank has had on relations between Israel and the United Kingdom.

Mr. Luce: We and our European partners have consistently made clear our view that Israel's policy of building settlements in occupied territory is illegal and an obstacle to peace. My right hon. and learned Friend made this point personally to Israeli Ministers during his visit to Israel in October 1984.

The announcement by Israel on 10 January of six new settlements is a negative step which undermines confidence in Israel's intentions.

SCOTLAND

Miscarriages and Abortions

Mr. Canavan asked the Secretary of State for Scotland how many women resident in the postal districts FK4, FK5 and FK6 have had *(a)* miscarriages and *(b)* abortions in each of the past 12 years; and how these figures compare with the corresponding figures for the whole of Scotland.

Mr. John MacKay: The only statistics available centrally on miscarriages are those obtained from the hospital records of patients treated for spontaneous abortion. Hospital records were not post-coded prior to 1975; but since that date the number of patients treated in hospital for spontaneous abortion was as follows:

	Postcodes FK4, 5, 6	*All Scotland*
1975	56	6,952
1976	54	6,669
1977	64	6,625
1978	57	6,980
1979	61	6,471
1980	63	7,184
1981	64	6,988
1982	53	6,771

In addition to spontaneous abortions, therapeutic abortions were performed on the following number of patients:

1975	32	7,327
1976	44	7,219
1977	42	7,334
1978	48	7,451
1979	48	7,784
1980	58	7,905
1981	49	9,007
1982	51	8,425

Information is not yet available centrally for later years.

Malformed Babies

Mr. Canavan asked the Secretary of State for Scotland how many malformed babies have been born to mothers resident in the postal districts FK4, FK5 and FK6 in each of the past 12 years; and how these figures compare with the corresponding figures for the whole of Scotland.

Mr. John MacKay: The notification of anomalies at birth is not a statutory requirement and figures for the whole of Scotland are not available. The figures for FK4, 5 and 6 which are readily available show that the number of live births with anomaly were as follows:

	Number
1976	34
1977	43
1978	39
1979	25
1980	41
1981	47

Of this total of 229 children born with anomalies, only 23 could be considered as having major defects.

Information is not yet available centrally for later years.

Council Houses (Cost)

Mr. Donald Stewart asked the Secretary of State for Scotland what is his estimate of the current cost of a three-apartment and four-apartment local authority house in Scotland.

Mr. Younger: The costs depend on a number of factors, including the form and the location of a housing development. Typical average costs including professional fees but excluding land costs are as follows:—

	£
3-apartment	26,300
4-apartment	28,300

Fire Certificates

Mr. Donald Stewart asked the Secretary of State for Scotland how many establishments in Scotland subject to the Fire Precautions (Hotels and Boarding Houses) (Scotland) Order 1972 have still to receive a fire certificate.

Mr. Younger: I understand, from information provided by fire authorities, that on 31 December 1984 there were 138 such establishments.

Teachers (Pay)

Lord James Douglas-Hamilton asked the Secretary of State for Scotland what reply he has received from teachers' representatives to his proposal that the Scottish joint negotiating committee should conduct a review of teachers' pay and conditions of service within the framework of existing procedures.

Mr. Allan Stewart: I refer my hon. Friend to the reply that my right hon. Friend gave to the hon. Member for Dunfermline West (Mr. Douglas) on 16 January at columns 314-317. My right hon. Friend subsequently received a formal request from the Scottish joint negotiating committee for teaching staff in school education that he should meet a combined deputation from the management and teachers' sides, and he has agreed to do this on 28 January.

Leith Nautical College

Lord James Douglas-Hamilton asked the Secretary of State for Scotland how many representations on the subject of Leith nautical college and its future have been received by his Department.

Mr. Allan Stewart: Representations on the future of Leith nautical college have been recieved from some 80 individuals and organisations, including seven hon. Members, and I have also received a petition containing about 9,000 signatures.

Broadleaved Woodland

Mr. Ron Davies asked the Secretary of State for Scotland what discussions the Forestry Commission will be holding with the *(a)* Council for the Protection of Rural England and *(b)* the Royal Society for the Protection of Birds about "Broadleaves in Britain" before the seminar on 8 May at which the new draft policies for broadleaved woodland will be presented.

Mr. John Mackay: The Forestry Commission received detailed comments from these two bodies in response to its consultative paper "Broadleaves in Britain". Those comments are being taken into account in formulating draft policy proposals for discussion at the seminar on 8 May 1985, to which both bodies have been invited, and the Commission does not consider it necessary to have any further consultations with them before then.

Mr. Ron Davies asked the Secretary of State for Scotland what discussions the Forestry Commission will be holding with the Woodland Trust about "Broadleaves in Britain" before announcing its revised policy proposals for broadleaved woodland in Britain.

Mr. John Mackay: The Forestry Commission received detailed comments from the Woodland Trust in response to the consultative paper "Broadleaves in Britain" and these are being taken into consideration in formulating draft policy proposals. The Commission does not consider it necessary to have any further consultations with the trust.

Mr. Ron Davies asked the Secretary of State for Scotland whether representatives of the National Farmers Union or the Country Landowners Association have met the Forestry Commission since September 1984 to discuss "Broadleaves in Britain" and its revision of policies for broadleaved woodland.

Mr. John MacKay The Forestry Commission will be meeting representatives of the National Farmers Union and the Country Landowners' Association on 25 January 1985.

Mr. Ron Davies asked the Secretary of State for Scotland which non-governmental organisations representing timber production and forestry interests have met the Forestry Commission since September 1984 to discuss the "Broadleaves in Britain" review and its revision of policy on broadleaved woodland.

Mr. John MacKay The Forestry Commission has had meetings recently on this subject with representatives of Timber Growers UK, the British Timber Merchants' Association (England and Wales) and the Institute of Chartered Foresters.

Mr. Ron Davies asked the Secretary of State for Scotland which conservation organisations have met the Forestry Commission's working group since September 1984 to discuss "Broadleaves in Britain" in the light of the submissions received.

Mr. John MacKay The Forestry Commission has had recent meetings on this subject with the Countryside Commission, the Countryside Commission for Scotland and the Nature Conservancy Council.

Mr. Ron Davies asked the Secretary of State for Scotland if he will list in the *Official Report* the organisations which responded to the Forestry Commission's "Broadleaves in Britain," consultative paper; and which of these organisations have been invited to the seminar organised by the commission on 8 May to discuss its draft policy proposals for broadleaves in Britain.

Mr. John MacKay The information is given in the table below:

The organisations marked with an asterisk have been invited to the Forestry Commission seminar on 8 May 1985. The following organisations have also been invited to the seminar:—

Convention of Scottish Local Authorities Home Timber Merchants' Association of Scotland National Hardwoods Programme Scottish Wildlife Trust

In addition to the organisations listed in the table, the Forestry Commission received comments on the consultative paper from a number of private individuals

ORGANISATIONS WHICH RESPONDED TO THE CONSULTATIVE PAPER *BROADLEAVES IN BRITAIN*

Arboricultural Association
Ashford Borough Council
Association of County Councils*
Basingstoke and Deane Borough Council
Bedfordshire County Council
Brecon Beacons National Park
British Ecological Society
British Timber Merchants' Association (England and Wales)*
Building Research Establishment, Princes Risborough
Cheshire Conservation Trust
Cheshire County Council
Chilterns Standing Conference
Cornwall Trust for Nature Conservation
Council for National Parks*
Council for British Archaeology
Council for the Protection of Rural England*
Country Landowners' Association*
Countryside Commission*
Countryside Commission for Scotland*
County Planning Officers' Society
County Planning Officers' Society of Wales
Cumbria Broadleaves Group
Cumbria County Council
Cumbria Trust for Nature Conservation
Dartington Institute
Dartmoor National Park
Devon Trust for Nature Conservation
East Cornwall Small Woodlands Project
East Sussex County Council
East Sussex Small Woodlands Project
East Sussex Woodland Forum
Essex Naturalist's Trust
Exmoor National Park
Exmoor Society
Friends of the Earth
Friends of the Earth (Scotland)
Fountain Forestry Ltd
Game Conservancy
Greater London Council
Gwent County Council
Hereford and Worcester County Council
Hertfordshire County Council
Hertsmere Borough Council
Highland Regional Council
Humberside County Council
Institute of Biology
Institute of Chartered Foresters*
Institute of Terrestrial Ecology
Lake District Special Planning Board
Landscape Institute
London Borough of Barnet
Lothian Regional Council
Merseyside County Council
National Farmers' Union*
National Federation of Women's Institutes
National Trust*
National Trust for Scotland
Nature Conservancy Council*
Norfolk County Council
Norfolk Naturalist's Trust
Northamptonshire Trust for Nature Conservation
North York Moors National Park
North Yorkshire County Council
Oliver and Lang Brown
Open Spaces Society
Peacock and Company
Peak Park Joint Planning Board
Ramblers Association
Red Deer Commission
Royal Forestry Society of England, Wales and Northern Ireland*
Royal Institute of Chartered Surveyors*
Royal Scottish Forestry Society*
Royal Society for Nature Conservation*
Royal Society for the Protection of Birds*
Royal Town Planning Institute
Scottish Woodland Owners Association (Commercal) Ltd
Shropshire County Council
Snowdonia National Park
South Yorkshire County Council
Suffolk County Council
Sussex Trust for Nature Conservation
Teignbridge District Council
Tilhill Forestry Ltd
Timber Growers UK*
University of Aberdeen

University of Edinburgh—Centre for Human Ecology
University of Exeter
University of Oxford
Weiss Group Ltd
Welsh Counties Committee*
West Midland Woodlands
Wiltshire County Council
Woodland Trust
Yorkshire Dales National Park Committee
Yorkshire Wildlife Trust

Scottish Special Housing Association

Mr. Craigen asked the Secretary of State for Scotland (1) if he will set out the Scottish Special Housing Association's income to its housing revenue account, under the headings deficit subsidy, rents and other income, for each of the years from 1978-79 to the present;

(2) if he will set out the Scottish Special Housing Association's expenditure from its housing revenue account, under the headings loan charges, repairs and maintenance, management and other, for each of the years from 1978-79 to 1984-85; and what is the estimated expenditure under these headings in 1985-86;

(3) if he will set out the Scottish Special Housing Association's capital spending as broken down between new build, modernisation and any other relevant items for each of the years from 1979-80 to the present;

(4) if he will set out for the Scottish Special Housing Association expenditure from the housing revenue account on repairs and maintenance and management per house for each of the years from 1978-79 to 1984-85 and the estimated expenditure under these headings in 1985-86.

Mr. Ancram: I shall reply to the hon. Member as soon as possible.

Mr. Craigen asked the Secretary of State for Scotland if he will set out the Scottish Special Housing Association's capital allocation for each of the years from 1979-80 to the present.

Mr. Ancram: The figures are as follows:

	£ million
1979-80	40·0
1980-81	42·0
1981-82	45·2
1982-83	43·6
1983-84	34·0
1984-85	26·0

Figures prior to 1981-82 are gross figures: those for 1981-82 onwards are net figures, exclusive of receipts.

Mr. Craigen asked the Secretary of State for Scotland what is the average rent per annum charged by the Scottish Special Housing Association for each year from 1978-79 to the present time.

Mr. Ancram: Average annual rents at 30 September from 1977 to 1983 are published in "Public Sector Rents 1983-84" (Scottish Development Department Statistical Bulletin HSIU No. 7), a copy of which is available in the Library of the House. The average annual rent for SSHA dwellings at 30 September 1984 was £676·74.

Salmon

Mr. Soames asked the Secretary of State for Scotland what were the principal achievements of his Department in protecting salmon stocks in 1984.

Mr. John Mackay: The Department of Agriculture and Fisheries for Scotland has stepped up its efforts to enforce the ban on drift-net fishing for salmon in the sea off Scotland, with a considerable degree of success. This has been welcomed by the salmon interests.

The Government have been pressing for a curtailment of fishing for salmon on the high seas, and agreement was reached last year on a substantial reduction in the quota for the Greenland salmon fishery.

Power has been taken in the Inshore Fishing (Scotland) Act 1984 to prohibit fishing for salmon in the sea by means of specified nets set other than from a boat and to ban the carriage of certain types of nets by British vessels in Scottish waters. My right hon. Friend's Department is discussing the implementation of the provisions of that Act with the appropriate organisations.

The Department has continued its research into means of protecting and enhancing salmon stocks.

Seals (Orkney)

Mr. Soames asked the Secretary of State for Scotland when he expects to order a cull of the seal population of Orkney.

Mr. John Mackay: I refer my hon. Friend to the reply I gave to a similar question from him on 14 January. My right hon. Friend has not yet reached conclusions on the question whether there is a need for grey seal management in Scottish waters.

Beaufort Dyke

Mr. Donald Stewart asked the Secretary of State for Scotland what recent use has been made of the Beaufort dyke explosives dumping area in the north channel of the Irish sea: whether the dumping ground is made available to commercial and industrial interests; what restrictions exist on the substances which can be dumped; and whether the site is regularly checked for leakage and environmental pollution.

Mr. George Younger: No licences have been issued for the disposal of waste in the Beaufort dyke area in recent years. A small quantity of concrete waste was dumped there in 1981: it was due to be taken to deep water well to the west of Scotland but it had to be dumped at Beaufort dyke because of adverse weather.

Licences for the dumping of waste in that area by commercial or industrial interests would be granted only in an emergency and would depend upon the nature of the waste products.

Because of the non-toxic nature of the materials that have been dumped at Beaufort dyke it has not been considered necessary to check for leakage or environmental pollution.

NHS Superannuation Scheme

Mr. Henderson asked the Secretary of State for Scotland when the report by the Government Actuary on his actuarial investigation of the National Health Service superannuation scheme for Scotland for the five-year period ended 31 March 1979 will be published; and if he will make a statement.

Mr. Younger: The report will be published tomorrow and copies will be placed in the Library of the House.

The report shows that, as the notional balance of £282 million to be met by employing authorities would be more than adequately covered by the current 7½ per cent. of salary paid by employers, their rate of contribution could be reduced, as the Actuary recommends, to 5½ per cent. of salary. This, however, would not cover the full cost of payments to members of the scheme as it takes no account of pension increases, the costs of which are met by the Exchequer. In view of this, and the Government's general policy that contribution rates should be realistic, I do not intend to alter the present rate.

The report indicates that, throughout the 5-year period, all employment groups have been affected by a general trend towards retirement at an earlier age. The number of pensioners in the scheme on 31 March 1979, at approximately 18,000 showed an increase of 40 per cent. in the period. Significant further increases can be expected for many years because of the relative immaturity of the scheme and the increase in the number of contributors.

NORTHERN IRELAND

War Service (Superannuation)

Mr. J. Enoch Powell asked the Secretary of State for Northern Ireland when he expects to introduce legislation to render uniform the treatment of war service for superannuation purposes in public employment as between Great Britain and Northern Ireland; and to what extent such legislation will be retrospective.

Dr. Boyson: War service is already given uniform treatment. Regulations will be soon be made to recognise the war service of people who left local government schemes in Great Britain after 1950 but were still in public sector employment elsewhere in 1978; comparable legislation will be introduced for Northern Ireland.

If the right hon. Gentleman has a particular case in mind, I shall be happy to look into it.

Students

Mr. McCusker asked the Secretary of State for Northern Ireland if the meaning of "ordinarily resident in the United Kingdom" referred to in the Student Awards Regulations (Northern Ireland) 1984 is the same as that contained in the decision of the House of Lords in December 1982 in respect of the Local Education Authority Awards Regulations 1979.

Mr. Scott: Yes, in the opinion of the Department of Education for Northern Ireland, and subject to any ruling in the courts. However, the eligibility requirements for mandatory awards set out in the Northern Ireland regulations are not the same as those specified in the Local Education Authority Awards Regulations 1979.

Road Accidents (Statistics)

Mr. Maginnis asked the Secretary of State for Northern Ireland what was the total number of road deaths in Ulster during 1984; and if he will give a breakdown of this figure.

Mr. Chris Patten: The provisional total number of road deaths in Northern Ireland for 1984 is 189. The breakdown is as follows:

	Number
Drivers	54
Passengers	39
Pedestrians	65
Cyclists	13
Motorcyclists	15
Pillion Passengers	3
Total	189

Mr. Maginnis asked the Secretary of State for Northern Ireland how many motorists who died during 1984 in road traffic accidents in Ulster and who were either drivers or front seat passengers would appear not to have been wearing seat belts at the time of the accident.

Mr. Chris Patten: A provisional total of 24 drivers and seven front-seat passengers killed in Northern Ireland road accidents during 1984 would appear not to have been wearing seat belts at the time of the accident.

Mr. Maginnis asked the Secretary of State for Northern Ireland how many rear seat passengers were killed in road traffic accidents in Ulster during 1984.

Mr. Chris Patten: The provisional total is 13.

Shooting Incident (Belfast)

Mr. Parry asked the Secretary of State for Northern Ireland (1) if he will call for an inquiry into the shooting of Paul Gerard Kelly on 14 January in Belfast;

(2) what representations he has received concerning the shooting incident in Belfast on 14 January involving the Ulster Defence Regiment;

(3) if he will make a statement on the shooting in Belfast by members of the Ulster Defence Regiment on 14 January.

Mr. Hurd: I shall reply to the hon. Member as soon as possible.

Housing Waiting Lists

Mr. Parry asked the Secretary of State for Northern Ireland how many families were on the waiting list for public housing in the Province at the latest date.

Mr. Chris Patten [*pursuant to his reply*, 22 January 1985, c. *389*]: This is a matter for the Northern Ireland Housing Executive, but I understand from the chairman that the total number of applicants on the waiting list at 30 September 1984 was 24,543.

SOCIAL SERVICES

Miss Gillian Ward (Appeal)

Mr. John Morris asked the Secretary of State for Social Services why there has been a delay in the hearing of the appeal of Miss Gillian Ward, national insurance no. WK625542A against refusal to pay statutory sick pay; and when it is proposed to hear her appeal.

Mr. Whitney: I regret that pressure of work in the local office concerned has led to delay in handling the case of Miss Gillian Ward, who asked on 29 October 1984 for an adjudication officer's decision on her title to statutory sick pay for two days in May 1984. A decision was issued on 16 January.

Housing Benefit

Mr. Chris Smith asked the Secretary of State for Social Services if he will estimate the cost to the Exchequer of extending housing benefit, on its present scale rates, to owner occupiers.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Mr. Gordon Brown asked the Secretary of State for Social Services how many pensioners in Scotland *(a)* householders and *(b)* non-householders were lifted off housing benefit supplement after 26 November 1984 as a result of (i) increasing the available scale margin and (ii) extending the available scale margin to heating additions.

Mr. Whitney: Housing benefit supplement is not payable to non-householders. Information on the small number of pensioner householders in Scotland who would have been lifted off housing benefit supplement as a result of changes to the available scale margin is not available.

Limited List Prescribing

Mr. Skeet asked the Secretary of State for Social Services (1) whether his proposals for a prescribed list of drugs is precisely similar to the schemes in the countries listed in his answer of 7 December 1984, *Official Report*, column *318;* and whether there is any residual discretion vested in medical staff directly in contact with patients in the other schemes he has studied;

(2) if, further to his answer of 7 December 1984, *Official Report*, column *318*, he will publish in the *Official Report* details of the limited list drug schemes operating in other countries which have been studied by his Department; and if he will identify the similarities and the differences in relation to the proposed United Kingdom scheme.

Mr. Kenneth Clarke: The Government's limited list proposals were drawn up following detailed studies of the schemes in operation in many other countries. Our proposals reflect the best features of other schemes whilst at the same time attempting to avoid any difficulties experienced in their operation. There are therefore similarities between our proposals and the schemes now operating in a number of countries, but because of the differences in national health and insurance systems direct comparisons are not possible. Brief details of schemes operating in the countries listed in my reply are as follows:

1. *Australia*

A "white list" is operated. All drugs are assessed and only those which are needed for conditions not already covered adequately by the list, or are more effective or less toxic than a drug listed for the same purpose are included in the Pharmaceutical Benefits Scheme.

2. *Belgium*

A five-category system provides for different levels of patients contribution to the costs of medicines.

Category A:

Life Saving medicines—fully reimbursed.

Category B:

Therapeutically useful—patient pays 25 per cent. up to a limit which varies by patient category.

Categories C, Cs:

Less useful—patients pay 50 per cent., or 60 per cent. with a higher limit than B.

Category D:

Others—non-reimbursable.

3. *France*

In order to be reimbursed at all a drug must be on the Ministry's approved list. New drugs can be added only if they are either medically more effective or equally effective but less costly than already reimbursed drugs. For drugs that are reimbursed there are three levels of patient contribution:

i. essential drugs (24 listed conditions) —nil
ii. homeopathic medicines —30 per cent.
iii. drugs for the treatment of mild conditions—60 per cent.

4. *West Germany*

Federal Republic of Germany

There is a negative list of drugs, introduced in its present form in 1983, for which all adults have to pay in full. It includes tonics, laxatives, cough and cold treatments, minor analgesics, vitamins, antacids, rubs and inhalations, and travel sickness and slimming preparations. For other drugs patients pay a prescription charge.

5. *Ireland*

Patients on lower incomes are entitled to free health care under the state scheme, within which doctors may prescribe only from a limited list of some 900 drugs. Patients with higher incomes must join a voluntary (ie charitable or private) insurance scheme meeting certain minimum requirements.

6. *Denmark*

Medicines outside hospitals are reimbursed to the extent of 75 per cent., 50 per cent. or nil. Medicines for well defined, often mortal disease at 75 per cent., medicines with valuable therapeutic effect at 50 per cent. and all others including over-the-counter products are non-reimbursable.

7. *Norway*

Drugs are not licensed unless a need for them is established. A limited list of drugs required for the treatment of 36 specified chronic or long term conditions is partially reimbursed. Expensive drugs for other conditions may also be subsidised if approval is given in individual cases, otherwise patients pay the full cost of drugs not on the list.

8. *Sweden*

Drugs are licensed only if they are shown to have some advantage in terms of cost or efficacy over those already available. Drugs are provided free for 32 specified chronic conditions and for preventative maternal and child care. Most others are partially reimbursed but patients pay the full cost of prophylactic drugs.

9. *The Netherlands*

A blacklist of some 400 drugs which were considered unnecessarily expensive or of doubtful therapeutic effect or which were available over the counter was introduced in 1982. The Netherlands now has the lowest drug cost per patient in Europe.

10. *Italy*

About 1,400 priority drugs on an approved list of 5,000 are supplied for a prescription fee of 1,000 lire. For other drugs on the list the patient pays in addition 20 per cent. of the retail price subject to a fixed upper limit. Drugs not on the approved list are not reimbursed.

11. *Spain*

Contraceptives, dietary products and over-the-counter products are non-reimbursable. For the vast majority of reimbursable medicines, the patient pays a contribution of 40 per cent. of the cost. For a small number of priority drugs, the patient contribution is 10 per cent.

12. *New Zealand*

A limited list operates with preference for generic drugs. Charges may be waived by special permission.

Mr. Latham asked the Secretary of State for Social Services why he excluded the drug known as Naprosyn under his provisional proposals for limited list prescribing; and whether he will reconsider this proposal.

Mr. Kenneth Clarke: I have explained publicly on several occasions that our proposals do not affect National Health Service provision of non-steroidal anti-inflammatory drugs such as Naprosyn. There has never been any question of excluding Naprosyn from National Health Service prescribing.

Mr. Latham asked the Secretary of State for Social Services why he excluded the laxative known as Dorbanex under his provisional proposals for limited list prescribing; and whether he will reconsider this proposal.

Mr. Kenneth Clarke: The provisional list announced on 8 November was only set out as the basis for detailed consultation. We will only decide which drugs will remain available on the National Health Service in the categories affected by our proposals after full consultation has taken place with the professions and the industry.

Benefits

Mr. Pike asked the Secretary of State for Social Services how many people in Burnley are currently in receipt of benefit whilst in board and lodging accommodation in Burnley.

Mr. Whitney: Separate figures are not available for Burnley and could be obtained only at disproportionate cost. At November 1983, the latest date for which statistics are available, there were 108,000 claimants in ordinary board and lodging in Great Britain.
Source: Annual Statistical Enquiry. Figures are provisional.

Dentists

Mr. McCrindle asked the Secretary of State for Social Services if he is satisfied with the current number of dentists in the National Health Service in relation to the demand for dental treatment.

Mr. Kenneth Clarke: We will continue to keep dental manpower levels under review as, nationally, we may be on course for a surplus of dentists in relation to demand for dental treatment. There are, however, local variations in the distribution of dentists.

AIDS

Mr. McCrindle asked the Secretary of State for Social Services if he is satisfied with the number of laboratories designated and equipped to carry out investigations at the appropriate level of containment into acquired immune deficiency syndrome; and if he will make a statement.

Mr. Kenneth Clarke: Yes. The precautions advocated in the interim guidelines on AIDS recently produced by the Advisory Committee on Dangerous Pathogens broadly equate to those already in force in clinical laboratories for dealing with hepatitis B virus. The guidelines do not impose a requirement on health authorities to designate laboratories for the examination of AIDS specimens. However the ACDP suggested that in view of the probable increase in the amount of work involving AIDS patients there may be operational advantages to health authorities in concentrating this at specific laboratories.

Mr. McCrindle asked the Secretary of State for Social Services if, in the light of current knowledge regarding acquired immune deficiency syndrome contaminated blood supplies, he is satisfied that adequate amounts of uncomtaminated blood are available; and if he will make a statement.

Mr. Kenneth Clarke: We are satisfied that all practicable steps are being taken to safeguard blood supplies in the light of current medical knowledge on AIDS. We are strengthening our efforts to dissuade persons in the AIDS high-risk groups from donating blood, and our revised leaflet "AIDS—Important New Advice for Blood Donors" will be distributed individually to all donors.

Tests to screen blood donations for the HTLV III antibody are being developed, but much evaluation work remains to be done before such a test could be used routinely.

District Nurses (Training)

Mr. Pavitt asked the Secretary of State for Social Services if he will take steps to reduce the shortage of tutors for district nurse training; and if he will make a statement.

Mr. Keneth Clarke: The numbers of nurse tutors depends on health authorities' demands for the training of district nurses. It is the responsibility of the English National Board for Nursing, Midwifery and Health Visiting to ensure that the number of district nurse tutors is adequate to meet that demand. We have made money available for this purpose to the board who I understand are taking steps to encourage more district nurses to come forward for tutor training.

NHS (Managers)

Mr. Ashdown asked the Secretary of State for Social Services how many district managers appointed to the National Health Service following implementation of the Griffiths report were appointed from within industry; and how many from within the Department of Health and Social Security.

Mr. Kenneth Clarke: So far, seven and none respectively, but one other was previously in local government.

Mr. Deakins asked the Secretary of State for Social Services what training is to be provided for National Health Service officers who become general managers.

Mr. Kenneth Clarke: We have already made some arrangements with the National Health Service Training Authority, which will be reviewed and strengthened as necessary by the chairman of the NHS management board. We anticipate a very great demand for management training within the NHS over the next few years.

Mr. Deakins asked the Secretary of State for Social Services what is the job description for general managers in the National Health Service; how this was compiled; and if it is standard between and within National Health Service regions.

Mr. Kenneth Clarke: Our guidance circular contains a description of the general management function we require health authorities to implement, distinguishing between mandatory and optional requirements.

Newcastle Computer Dispute

Mr. Waller asked the Secretary of State for Social Services what is his estimate of the amount of benefit overpaid during the strike by computer staff at his Department's Newcastle upon Tyne office.

Mr. Newton: It is not possible to provide any reliable estimate of the total amount overpaid during the strike. The only information collected centrally about overpayments, is the amount written off as irrecoverable. This is not available until some time after the event and it would not be practicable to distinguish between overpayments resulting from the dispute and those due to other causes.

Family Income Supplement

Mr. Deakins asked the Secretary of State for Social Services how many employees are receiving family income supplement; and what was the comparable figure in 1979.

Mr. Whitney: At September 1984, the latest date for which information is available, of 207,000 families receiving family income supplement 180,000 were headed by a full-time employee.

The nearest comparable 1979 figures available are for October 1979 and these were 70,000 families in total of which 65,000 were headed by a full-time employee.

Personal Incomes

Mr. Deakins asked the Secretary of State for Social Services how many people have incomes below the relevant supplementary benefit level; how many of these are in full-time employment; and what were the comparable figures for 1979.

Mr. Whitney: The latest information and comparable figures for 1979 are contained in the tables "Low Income Families — 1981", a copy of which is lodged in the Library.

Ancillary Services (Competitive Tendering)

Sir John Farr asked the Secretary of State for Social Services if he will publish in the *Official Report* details of the performance of each area health authority in England and Wales in putting ancillary services out to competitive tendering, to the latest available date.

Mr. Kenneth Clarke: We have asked health authorities to provide us with reports on progress on competitive tendering and I will reply to my hon. Friend when this information is received.

Family Income Supplement (Advertising)

Mr. Wainwright asked the Secretary of State for Social Services what policy changes affecting public advertisement of family income supplement have been made since 1982.

Mr. Whitney: As from 1983, press and television advertising coinciding with the annual November uprating of family income supplement has been discontinued. Surveys indicated that such publicity had little effect in increasing awareness of family income supplement and we decided the major cost involved in this form of advertising was not justified. We have concentrated on other more cost-effective measures to promote family income supplement as indicated in my hon. Friend's reply to my hon. Friend the Member for Cardiff, Central (Mr. Grist) on 12 June 1984 at column *460*. These measures are in addition to publicity in the form of the wide display of leaflets and posters, and inclusion of a page advertising family income supplement in child benefit order books.

Mr. Wainwright asked the Secretary of State for Social Services how much was spent on purchasing advertisements on all media for family income supplement in 1982-83, 1983-84 and in the current year to date.

Mr. Whitney: Expenditure on media advertisements for family income supplement was as follows:

	£
1982-83	506,000
1983-84	Nil
1984-85	Nil

Infant Deaths

Mr. Speed asked the Secretary of State for Social Services when he intends to publish the results of the study into sudden infant deaths; and if he will make a statement.

Mr. John Patten: The report on the DHSS-funded mulit-centre study of post-neonatal mortality was published on 21 January. Copies have been placed in the Library.

The report suggest that up to 25 per cent. of infant deaths certified as being "sudden unexpected deaths" were capable of explanation after a full post mortem. Furthermore, it implies that a proportion of what are now classified as "cot deaths", as well as some other categories of infant deaths, could be prevented if parents were generally better informed about the signs and seriousness of childhood illness, and if health professionals also were more alert to the significance of such signs. The report has important implications, which call for a considered response. The Department is holding a conference in March to bring together professional bodies and individuals with an interest, and to promote a full discussion of the several issues raised.

Handicapped Persons (Training)

Mrs. Renée Short asked the Secretary of State for Social Services (1) if he will make a statement on his visit in November 1984 to the Petö institute for the teaching and training of the physically disabled in Budapest;

(2) if he has any proposals to provide resources for the development of facilities for the teaching and training of the physically disabled similar to those in existence in Hungary;

(3) whether he proposes any initiatives to further co-operatives between the Petö institute for the teaching and training of the physically disabled in Budapest and rehabilitation units in the United Kingdom.

Mr. Kenneth Clarke: On my visit to the Petö educational and training institute for children with motor disorders in Budapest I was very impressed by the training programmes being undertaken to help motor and neurologically impaired children. I am glad to say that there is developing interest in the Petö method of conductive education in this country and I understand that similar training programmes are now being undertaken in several centres here. It is too early to make proposals about allocation of resources but in any case this will eventually be for health and local education authorities to determine in the light of other priorities. I have no doubt that professional staff engaged in this field in this country will continue to keep in close touch with developments at the Petö institute and elsewhere with a view to developing better methods of helping handicapped people.

Young Persons (Contraception)

Mr. Nicholas Winterton asked the Secretary of State for Social Services if he will list in the *Official Report* all those organisations which have, during the course of the

last year, made representations to him objecting to the prescription of contraceptive drugs and devises to children under 16 years of age without their parents' consent.

Mr. Kenneth Clarke: The following organisations have made representations to our Department within the last year:

Amalgamated School Nurses Association
Catholic Bishops' Conference of England and Wales
Harrow Child and Family Protection Group
Knights of St. Columba
Llandaff Diocesan Committee for Social Responsibility
National British Women's Total Abstinence Union
North West Federation of the Free Church Women's Councils
Order of Christian Unity
The Responsible Society

In addition, we have received the public statement signed by 15 religious and community leaders sent by Mrs. Victoria Gillick to Her Majesty.

Supplementary Benefit

Mr. Wainwright asked the Secretary of State for Social Services what he estimates would be the current annual cost of raising to the long-term benefit rate, the supplementary benefit payable to persons continuously unemployed for more than 12 months, who have one child or more.

Mr. Whitney: £225 million.

Health Authorities

Mr. Meacher asked the Secretary of State for Social Services whether he is satisfied that district health authority members are consulted before the appointment of new members to their authority.

Mr. Kenneth Clarke: My right hon. Friend does not appoint members of district health authorities. This is the responsibility of the regional health authorities.

Mr. Meacher asked the Secretary of State for Social Services whether he is satisfied that his Department's guidelines governing membership of health authorities by *(a)* women and *(b)* ethnic minorities are being adhered to.

Mr. Kenneth Clarke: Yes.

Outline Regional Strategies

Mr. Meacher asked the Secretary of State for Social Services what guidance he has issued to regional health authorities with regard to the drafting of outline regional strategies.

Mr. Kenneth Clarke: Two circulars, HC(82)6 and HC(84)2. Both these documents also give advice on wider planning issues. Ministers or their officials have over the past year or so had discussions with all regions about their outline strategies.

National Insurance

Mr. Yeo asked the Secretary of State for Social Services what would be the cost of abolishing employees' national insurance contributions for all employees earning less than £100 per week.

Mr. Whitney: On the assumptions set out in his report on the draft of the Social Security (Contributions Rerating) (No. 2) Order 1984 (Cmnd. 9386), and assuming that the lower earnings limit for contracted-out rebate would also be £100 per week, the Government Actuary calculates that the cost of losing the primary national insurance contributions revenue from employees earning less than £100 per week would be around £1,020 million.

Medical Product (Safety)

Mr. Best asked the Secretary of State for Social Services if he will refer a product, the name of which has been supplied to him, to the Committee on Safety of Medicines.

Mr. Kenneth Clarke [*pursuant to his reply*, 9 January 1985, c. *519*]: I am advised that this should not be considered a medicinal product within the meaning of the Medicines Act 1968. It is, in our opinion, a food and therefore the subject of the relevant food legislation.

Itinerants (Statistics)

Mr. Tony Banks asked the Secretary of State for Social Services what information he has of the numbers of *(a)* hospital admissions and *(b)* deaths as a result of exposure arising from sleeping rough in London since the beginning of 1985.

Mr. John Patten [*pursuant to his reply*, 21 January 1985, c. *354*]: Information on the number of hospital admissions as a result of exposure in London since the beginning of 1985 is not available centrally. The hon. Member may wish to write to the chairman of the North-West Thames, North-East Thames, South-East Thames and the South-West Thames regional health authorities who may be able to provide the information on hospital admissions. As regards deaths, information available from cause-of-death certificates does not provide a count of those dying from exposure arising from sleeping rough in London.

DEFENCE

Army Cataloguing Authority

Mr. Cartwright asked the Secretary of State for Defence whether he still proposes to concentrate all the operations of the Army Cataloguing Authority in one location; and if he will make a statement.

Mr. Butler: It is not at present proposed to concentrate all the operations of the Army Cataloguing Authority on to a single site, but some rationalisation of the existing six ACA locations is being considered.

Mr. Cartwright asked the Secretary of State for Defence how many vacancies for technical staff remained unfilled at the Army Cataloguing Authority at the most recent convenient date; and what steps are being taken to fill them.

Mr. Butler: There are at present 37 vacancies for technical staff. Many of these vacancies have been deliberately left open as in the coming 18 months the Army Cataloguing Authority will be changing over from a manual to a computerised data-handling system and the pattern of staff requirements will change over this period. The vacancies expected to arise will mostly be in different grades from those now obtaining. Recent action has concentrated on finding staff from internal and external

sources willing to move with the ACA to Glasgow. Now that the ACA is no longer in the dispersal package, it is expected that most vacancies will be filled from internal sources.

Explosive Weapons

Mr. Cohen asked the Secretary of State for Defence if he will list the top 20 conventional explosive weapons which the British armed forces possess in terms of their destructive capacity; how many of each are possessed; and what is the extent of this capacity in each case.

Mr. Stanley: Of the conventional explosive weapons in service with the British armed forces, those with the greatest content of high explosive — HE — in their warhead are as follows:

Sea Systems
Sea Mines
Heavyweight Torpedoes (Mk 8 and Mk 24)
Surface to surface missile (Exocet, Harpoon)
Sub Harpoon sub-surface to surface missile
Lightweight Torpedoes (Mk 44, Mk 46, Stingray)
Air Systems
Iron Bombs
Cluster Bomb
Laser Guided Bomb
Martel air to surface missile
Bloodhound surface to air missile.

In some cases, there is more than one variant in service. Details of HE content and of numbers of weapons possessed are classified.

Operation Red Shoes

Mr. Cohen asked the Secretary of State for Defence what is the full purpose of Operation Red Shoes; how it relates to *(a)* Operation Lionheart and *(b)* any operations or strategies concerned with how refugees fleeing from a nuclear exchange would be dealt with by the military authorities; and if he will make a statement.

Mr. Stanley: The exercise in question was a home defence communications exercise and had no connection with Exercise Lionheart. The detailed scenario of the exercise is classified. The responsibilities of civil and military authorities after nuclear attack are referred to in the draft Home Office consolidated circular to local authorities on emergency planning which my right hon. and learned Friend the Home Secretary placed in the Library on 30 July 1984.

Nuclear Tests

Mr. Deakins asked the Secretary of State for Defence for how long it will be necessary for the United Kingdom to continue conducting testing of nuclear weapons underground.

Mr. Butler: Underground nuclear weapons testing is conducted by the United Kingdom in conjunction with the United States of America and in accordance with treaty commitments. Such testing as takes place is to maintain the effectiveness of our nuclear capability; it will continue for as long as required.

REME Workshops

Mr. Denzil Davies asked the Secretary of State for Defence what will be the annual net savings to his Department of the proposal to close the REME workshop at Newark.

Mr. Lee: It is not possible to identify the net saving obtained by closing the REME workshop at Newark, but the gross saving amounts to some £3·3 million per annum.

Mr. Denzil Davies asked the Secretary of State for Defence what will be the annual net savings to his Department of the proposal to close the REME workshop at Chilwell.

Mr. Lee: It is not possible to identify the net savings obtained by closing the REME workshop at Chilwell, but the gross savings amount to some £18·4 million per annum.

Falkland Islands

Mr. Dalyell asked the Secretary of State for Defence what actions he has taken as a result of Colonel Templer's criticism of medical services in the Falklands.

Mr. Stanley: As I indicated to the hon. Member in my reply on 13 June 1984, at column *490*, Colonel Templer was expressing his own views in his radio interview on 5 June. Medical services in the Falklands generally are the responsibility of the civil administration and are therefore a matter for my right hon. and learned Friend the Foreign and Commonwealth Secretary.

During my visit to the Falklands last July, Colonel Templer expressed concern about the adequacy of the temporary operating facilities at the British Military Hospital, Port Stanley. The Commander British Forces commissioned an immediate inspection of the facilities by the Director of Army Surgery who validated an earlier decision to provide as a high priority a new temporary operating theatre. This theatre is currently in transit to the Falklands and is due to come into use next month.

Exercise Brave Defender

Mr. D. E. Thomas asked the Secretary of State for Defence (1) what will be the date and duration of exercise Brave Defender;

(2) whether exercise Brave Defender will involve the Territorial Army;

(3) whether exercise Brave Defender will involve units of the Home Service Force;

(4) whether exercise Brave Defender will involve regional emergency committees; and if he will make a statement.

Mr. Stanley: Exercise Brave Defender will take place from 2 to 13 September this year. The Territorial Army, including units of the Home Service Force, will play a full part. Regional emergency committees will not be involved.

Ulster Defence Regiment

Mr. Parry asked the Secretary of State for Defence how many persons have been killed in incidents involving members of the Ulster Defence Regiment in each of the past three years.

Mr. Stanley: Three civilians have died in the past three years as a result of action by members of the UDR in the course of their duty: one in 1982, one in 1983, and one in 1985. During the same period, 27 UDR soldiers have been killed by terrorists.

Mr. Parry asked the Secretary of State for Defence what is the strength of the Ulster Defence Regiment at the last date; and how many of these are Roman Catholics

Mr. Stanley: The total strengh of the Ulster Defence Regiment on 31 December 1984 was 6,468. Between 2 and 3 per cent. of the UDR have declared their religion as Roman Catholic.

Mr. Parry asked the Secretary of State for Defence if he has any plans to increase the strength of the Ulster Defence Regiment.

Mr. Stanley: There are at present no plans to alter the strength of the UDR.

Reforger Exercises

Mrs. Clwyd asked the Secretary of State for Defence whether it is intended to exercise elements of the 501st Tactical Missile Wing at Greenham Common, as part of the Reforger exercises.

Mr. Stanley: [*pursuant to his reply*, 21 January 1985, c. *323*]: Security considerations prevent me from confirming or denying the involvement of particular nuclear systems in particular exercises.

Mrs. Clwyd asked the Secretary of State for Defence whether United States F1-11 aircraft based in Britain will take part in January's Reforger exercises.

Mr. Stanley [*pursuant to his reply*, 21 January 1985, c. *323*]: F1-11 aircraft from RAF Upper Heyford and RAF Lakenheath will take part in the exercise.

Written Answers to Questions

Friday 25 January 1985

HOUSE OF COMMONS

Visitors (Security)

Mr. Murphy asked the Lord Privy Seal if he will take steps to assess the security implications of access by convicted terrorists to the Palace of Westminster; and if he will make a statement.

Mr. Biffen: The responsible authorities are fully aware of the implications of the incident to which my hon. Friend refers. I have drawn his concern about the matter to their attention.

HOME DEPARTMENT

Prisoners (Police Cells)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the longest period of time that an unconvicted prisoner was held in police cells in 1984.

Mr. Mellor: Thirty-six nights.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many prisoners were held in police cells at the latest available date; and if he will give their sex and location.

Mr. Mellor: On the night of 15/16 January, seven female prisoners were held in Metropolitan police cells. This apart, no prisoners have been held in police cells this year.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department (1) why it was found to be necessary to hold prisoners in police cells in 1984;

(2) what progress has been made towards implementing his promise given in 1983 to end the use of police cells for unconvicted and unsentenced prisoners.

Mr. Mellor: The ending of the routine use of police cells for unconvicted prisoners in the London area on 31 December 1983 proved impossible to sustain throughout the first part of 1984 because of the rise in the unsentenced prison population. However, the re-opening of Wormwood Scrubs A hall in April, the reduction of the minimum qualifying period for parole in July and the re-opening of Brixton F wing in December have dealt with the problem for adult males. The occasional use of police cells for male young offenders is being tackled by changes in catchment areas. Some difficulty remains on the female side. Every effort is being made to bring additional accommodation into use at Holloway and to recruit the necessary female staff, and the recently established review of Holloway is focused on its role as a local prison.

Non-English Language Publications

Mr. Eldon Griffiths asked the Secretary of State for the Home Department what means the Metropolitan police have available to scrutinise non-English language publications that circulate among ethnic minorities in order to ascertain whether inflammatory material is being published that is offensive under section 70 of the Race Relations Act or the Public Order Act; what steps have been taken to bring prosecutions when such material is published; and what have been the results.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that if the police have reason to believe that such a publication might be in breach of section 5A of the Public Order Act 1936 they will arrange for it to be translated in order to determine whether an offence may have been committed. I understand there have been no prosecutions under section 5A in respect of non-English language publications.

Prisoners (Suicides)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department if he will provide for each of those prisoners who committed suicide in prison in 1983 *(a)* any indication of the reason for the suicide, *(b)* the most recent medical assessment of his mental state, *(c)* the special precautions that were taken and *(d)* when he was last seen alive and by whom.

Mr. Mellor: This information is not readily available, and my noble Friend will write to the hon. Member.

Prisoners (Death Statistics)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the age, sex, offence and sentence and cause of death of those prisoners who died in custody in 1984.

Mr. Mellor: The information requested is as follows:

	Age	*Sex*	*Offence/Charge*	*Sentence*	*Cause of death*
1.	44	M	Threatening to kill	Unsentenced	Suicide: asphyxia by hanging
2.	47	M	Burglary, criminal damage	6 months	Open verdict: acute onchronic bronchitis, toxic myocarditis, coronary atheroma
3.	48	M	Grievous bodily harm	4 years	Natural causes: cardiac failure, coronary arterial sclerosis
4.	56	M	Conspiracy, drug offences	21 months	Natural causes: coronary thrombosis, atherosclerosis, myocardial fibrosis
5.	31	M	Theft, handling stolen goods	Unsentenced	Suicide: asphyxia by hanging
6.	74	M	Riding without a crash helmet	37 days	Natural causes: haemo pericardium ruptured myocardial infarction, coronary thrombosis
7.	42	F	Burglary, obtaining by deception	Unsentenced	Open verdict: subdural haemorrhage
8.	18	M	Burglary	9 months	Natural causes: cerebral haematoma
9.	33	M	Robbery	7 years	Suicide: asphyxia by hanging
10.	55	M	Murder	Life	Natural causes: cancer

	Age	Sex	Offence/Charge	Sentence	Cause of death
11.	37	M	Grievous bodily harm with intent to resist arrest, possession of firearms, robbery, burglary	25 years	Suicide: asphyxia by hanging
12.	47	M	Grievous bodily harm	3 years	Natural causes: heart failure
13.	27	M	Burglary, armed robbery	Unsentenced	Suicide: asphyxia by hanging
14.	55	M	Murder	Life	Natural causes: broncho-pneumonia, cerebal infarction, carotid artery thrombosis
15.	20	M	Burglary, theft	Unsentenced	Misadventure: asphyxia by hanging
16.	51	M	Wounding	6 months	Natural causes: coronary occlusion, coronary atheroma
17.	62	M	Theft	Unsentenced	Natural causes: retroperitoreal haemorrhage, ruptured atherosclerotic aneurysm of abdominal aorta
18.	53	M	Murder	Life	Suicide: asphyxia by hanging
19.	49	M	Incest	7 years	Natural causes: subacute bacterial endocarditis
20.	41	M	Burglary	9 months	Natural causes: coronary thrombosis
21.	17	M	Taking without consent	Unsentenced	Suicide: asphyxia by hanging
22.	19	M	Arson, assault	Unsentenced	Suicide: asphyxia by hanging
23.	42	M	Burglary, handling stolen goods	4 years	Accidental death: asphyxia due to inhalation of stomach contents
24.	24	M	Forgery, theft, burglary	9 months	Accidental death: set fire to cell
25.	23	M	Murder	Unsentenced	Suicide: asphyxia by hanging
26.	62	F	Theft	4 months	(awaiting inquest)
27.	53	M	Murder	Life	Natural causes: carcinoma of the transverse colon
28.	47	M	Wounding	Unsentenced	Suicide: asphyxia by hanging
29.	26	M	Grievous bodily harm	2 years	Suicide: asphyxia by hanging
30.	19	M	Burglary	12 months	Natural causes: asphyxia due to epileptic convulsion, diabetic coma
31.	23	M	Criminal damage	Unsentenced	Misadventure: asphyxia by hanging
32.	22	M	Trespass with intent to commit rape	Unsentenced	Suicide: asphyxia by hanging
33.	30	M	Culpable homicide	8 years	Natural causes: ischaemic heart disease, coronary atheroma
34.	37	M	Indecent assault	Unsentenced	Suicide: asphyxia by hanging
35.	50	M	Obtaining by deception, evasion of liability	6 months	Misadventure: asphyxia due to epileptic convulsion
36.	26	M	Theft	15 months	Natural causes: myocardial infarction
37.	48	M	Burglary	7 years	Natural causes: heart failure
38.	40	M	Deception	Unsentenced	Natural causes: alcoholic myocarditis
39.	32	M	Burglary	3 years	Natural causes: secondary abcess on brain
40.	64	M	Arson	Unsentenced	Open verdict: gastro enteritis
41.	24	M	Taking without consent	18 months	Suicide: asphyxia by hanging
42.	44	M	Manslaughter	Life	Suicide: asphyxia by hanging
43.	74	M	Theft	12 months	Natural causes: cancer
44.	48	M	Entering with intent to steal	11 months	Natural causes: acute left ventricular failure
45.	43	M	Arson	Unsentenced	Suicide: asphyxia by hanging
46.	79	M	Conspiracy to evade customs duty	Unsentenced	Natural causes: coronary thrombosis
47.	33	M	Theft	21 months	Natural causes: brain tumour
48.	56	F	Administering poison to endanger life	Unsentenced	(awaiting inquest)
49.	66	M	Murder	Unsentenced	(awaiting inquest)
50.	38	M	Vagrancy	Unsentenced	(awaiting inquest)
51.	19	M	Burglary	Unsentenced	(awaiting inquest)
52.	47	M	Burglary, theft	Unsentenced	Natural causes: asphyxia following inhalation of vomit
53.	17	M	Burglary, possession of drugs, possession of ammunition	9 months	(awaiting inquest)
54.	27	M	Arson	Unsentenced	Suicide: asphyxia by hanging
55.	37	M	Burglary	4 years	Suicide: asphyxia by hanging
56.	26	M	Robbery	5 years	Suicide: asphyxia by hanging
57.	34	M	Murder	Life	(awaiting inquest)
58.	33	M	Murder	Life	Natural causes: coronary infarct, atheroma of coronary vessels
59.	24	M	Burglary, theft	3½ years	Suicide: asphyxia by hanging
60.	37	M	Burglary	Unsentenced	(awaiting inquest)
61.	42	M	Theft, obtaining by deception	18 months	(awaiting inquest)
62.	40	M	Robbery	Unsentenced	(awaiting inquest)
63.	36	M	Theft	Unsentenced	(awaiting inquest)

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what was the age, sex, offence and sentence of each of the 44 prisoners who died in penal establishments in 1983 and the further 20 prisoners who died in or en route to hospital.

Mr. Mellor: The information requested is as follows:

Died in establishment

	Age	Sex	Offence/charge	Sentence
1.	26	M	Criminal damage	Unsentenced
2.	49	M	Grievous bodily harm	Unsentenced
3.	19	M	Taking without consent	Unsentenced
4.	45	M	Grievous bodily harm	3 years
5.	33	M	Burglary	15 months
6.	42	M	Robbery	6¼years
7.	52	M	Arson	4 years
8.	45	M	Drunk and disorderly	30 days

	Age	Sex	Offence/charge	Sentence
9.	36	M	Murder	Unsentenced
10.	28	M	Burglary, theft, forgery	3 years
11.	17	M	Attempted robbery, theft	Borstal training
12.	54	M	Indecent assault	2 years
13.	21	M	Burglary	Borstal training
14.	58	M	Murder	Unsentenced
15.	40	M	Theft	9 months
16.	59	M	Theft	30 days
17.	50	M	Grievous bodily harm	Unsentenced
18.	45	M	Burglary	9 months
19.	37	M	Unlawful sexual intercourse	Unsentenced
20.	43	M	Assault with intent to rob	2 years
21.	46	M	Murder	Life
22.	35	M	Burglary, wounding	Unsentenced
23.	26	M	Assault, actual bodily harm, criminal damage	6 months
24.	20	M	Murder	Unsentenced
25.	29	M	Criminal damage	3 months
26.	33	M	Importing drugs	30 months
27.	25	M	Theft, robbery	3½years
28.	44	M	Theft	3 months
29.	33	M	Possession of drugs, burglary	Unsentenced
30.	43	M	Handling stolen goods, theft	2 years
31.	25	M	Burglary	Unsentenced
32.	41	M	Forgery	4 years
33.	25	M	Murder, criminal damage	Unsentenced
34.	61	M	Criminal intent	Unsentenced
35.	40	F	Aiding and abetting unlawful sexual intercourse with a child	18 months
36.	40	M	Actual bodily harm	27 months
37.	28	M	Murder	Unsentenced
38.	41	M	Handling stolen goods, theft, obtaining by deception, possession of controlled drugs	4 years
39.	55	M	Burglary	4 years
40.	45	M	Wounding, grievous bodily harm	Unsentenced
41.	32	M	Conspiracy to rob	14 years
42.	38	M	Burglary	12 months
43.	25	M	Robbery	6 months
44.	43	M	Possession of offensive weapon	Unsentenced

Died in outside hospital or on way to hospital

	Age	Sex	Offence/charge	Sentence
1.	38	M	Burglary	12 months
2.	59	M	Murder	Life
3.	47	M	Insulting behaviour	Unsentenced
4.	31	M	Fine defaulter	13 days
5.	46	M	Burglary	2 years
6.	35	M	Burglary	11 months
7.	65	M	Indecent assault	Unsentenced
8.	55	M	Burglary	27 months
9.	52	M	Forgery	4 years
10.	45	M	Murder	Life
11.	60	M	Taking without consent	300 days
12.	20	M	Wounding, assault, grievous bodily harm	11 years
13.	42	M	Murder	Unsentenced
14.	38	M	Murder	Life
15.	39	M	Actual bodily harm	9 months
16.	47	M	Wounding	Unsentenced
17.	39	M	Gross indecency	Unsentenced
18.	52	M	Burglary, assault, robbery, obtaining by deception	4 years
19.	50	M	Murder	Life
20.	36	M	Theft	18 months

Immigration Interviews (Tape-recording)

Mr. Nellist asked the Secretary of State for the Home Department if he will now consider the introduction of tape recording facilities for immigration interviews at ports of entry.

Mr. Waddington: No. Consideration needs to await the outcome of a further review by the Foreign and Commonwealth Office of the possible use of tape recordings in interviews by entry clearance officers abroad.

Sri Lanka (Tamil Refugees)

Mr. Wigley asked the Secretary of State for the Home Department what further consideration has been given by Her Majesty's Government to the position of Tamil refugees from Sri Lanka; what is being done to allow such people to remain in the United Kingdom pending an improvement of the situation in Sri Lanka; and if he will make a statement.

Mr. Waddington: We are keeping a close watch on developments in Sri Lanka. Since April 1984, no Sri Lankan Tamil who has expressed a fear of return to Sri Lanka has been returned there.

Mr. Wigley asked the Secretary of State for the Home Department what are the latest figures for the number of *(a)* Sri Lankan Tamils and *(b)* Sri Lankan citizens who since July 1983 have applied for asylum in the United Kingdom; of these applications how many have so far been determined; and of these how many have (i) been granted asylum or refugee status, (ii) been granted exceptional leave to remain in the United Kingdom, (iii) been granted leave to remain under other provisions of the regulations and (iv) been deported or removed to Sri Lanka during the period July to December 1983 and since 1 January 1984.

Mr. Waddington: I regret that this information is not available in the form requested; immigration statistics are kept by nationality, not according to ethnic group.

During the period 1 July 1983 to 31 December 1984, about 700 applications for asylum or refugee status were received from Sri Lankan nationals, of which 450 remained outstanding at 31 December 1984. Decisions were reached on 200 applications (others were withdrawn): two were granted refugee status, 28 were granted exceptional leave to remain in the United Kingdom and the remainder were refused. Information on the numbers of those refused who may have been removed to Sri Lanka is not available. However, since the end of April 1984, no Sri Lankan Tamil who has expressed a fear of return to Sri Lanka has been returned there.

Citizenship (Registration)

Mr. George Robertson asked the Secretary of State for the Home Department how many people, since the Act came into force, have been registered as British citizens under section 4 of the British Nationality Act 1981; and how many of them were from Hong Kong.

Mr. Waddington: The number of people registered under section 4 of the British Nationality Act 1981 since it came into force on 1 January, 1983 is 2,167. The further information requested is not available.

OVERSEAS DEVELOPMENT

Ethiopia

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied that Her Majesty's Government's food aid is properly distributed in Ethiopia; and if he will make a statement.

Mr. Raison: In general, yes. The Ethiopian Relief and Rehabilitation Commission, with whom we co-operate closely over plans for distribution, administer most of it. Transport and distribution are monitored by the World Food Programme on our behalf and we finance two British members of their monitoring team. The remainder is distributed by British voluntary agencies working in Ethiopia.

Refugees (Aid)

Mr. Key asked the Secretary of State for Foreign and Commonwealth Affairs what further aid he will give to assist the victims of the African drought and the needs of other refugees in the world.

Mr. Raison: I have decided to give £1 million to the 1985 Africa Appeal of the League of Red Cross and Red Crescent Societies; £1 million to the Africa Emergency Appeal of the UN High Commissioner for Refugees for use in the Sudan; £1 million to the High Commissioner's 1985 programme for Afghan refugees in Pakistan; and £2 million to the 1985 Africa General Appeal of the International Committee of the Red Cross, to allow it to continue and extend its work in Ethiopia.

Sudan (Food Aid)

Mr. Dorrell asked the Secretary of State for Foreign and Commonwealth Affairs what further British food aid is being supplied to refugees in Sudan.

Mr. Raison: 15,000 tonnes of British grain financed from our national food aid programme is now on the way to Port Sudan for use in feeding refugees entering the Sudan. The shipment was originally intended for World Food Programme use in Ethiopia but has been diverted to meet the emergency needs in Sudan following assurances that the Ethiopian ports will be working to capacity in January and February 1985 even without it; and that the WFP will make up the 15,000 tonnes for Ethiopia at an appropriate time.

NORTHERN IRELAND

Equal Opportunities Monitory Unit

Mr. McCusker asked the Secretary of State for Northern Ireland what action he intends to take against any Northern Ireland civil servant who refuses to return the form recently distributed by the equal opportunities monitory unit.

Dr. Boyson: None. A reminder will be issued but it has been made clear to staff that completion of the questionnaire issued by the equal opportunities unit is voluntary.

Mr. McCusker asked the Secretary of State for Northern Ireland if it is the intention of the equal opportunities monitory unit to use the personal files of Northern Ireland civil servants to determine the section of the community to which they are perceived by others to belong if they do not return the questionnaire recently distributed.

Dr. Boyson: Yes.

Cold Storage Capacity

Mr. Nicholson asked the Secretary of State for Northern Ireland what information he has as to the total capacity of cold storage in Northern Ireland both publicly and privately owned.

Dr. Boyson: The total capacity approved by the Intervention Board for Agricultural Produce is approximately 58,000 tonnes, all privately owned.

Government Expenditure

Mr. Nicholson asked the Secretary of State for Northern Ireland if he will break down the figures in table 3.17 of the "Government's Expenditure Plan 1985-86 to 1987-88" (Cmnd. 9428-II) on the same basis as tables 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13 and 3.14 of the same publication.

Dr. Boyson: This information will not be available until main Estimates for 1985-86 have been prepared by Northern Ireland Departments; I will write to the hon. Gentleman towards the end of March.

WALES

Regional Development Grant

Mr. Gareth Wardell asked the Secretary of State for Wales if he will publish in the *Official Report*, as soon as it is available to him, the total regional development grant paid for Wales in 1984.

Mr. Nicholas Edwards: Regional development grant paid in 1984 in respect of premises in Wales amounted to £80·8 million, of which £77·4 million was paid by the Department of Trade and Industry up to 28 November 1984 and £3·4 million by the Welsh Office from 29 November 1984.

Heath Hospital, Cardiff

Mr. Ian Grist asked the Secretay of State for Wales, if he will give details of the settlement reached on 10 February 1984 between the Welsh Health Technical Services Organisation and S. W. Milburn and Partners and W. S. Atkins and Partners pertaining to structural and material defects in the Heath hospital, Cardiff.

Mr. Wyn Roberts: The settlement was reached between the Welsh health technical services organisation, acting on the advice of counsel, and the other parties. It was a term of the settlement that the agreement should be confidential to the parties subject only to the right of confidential disclosure to the Welsh Office and the Public Accounts Committee.

EDUCATION AND SCIENCE

Medical Research Council (Cancer Research)

Mr. Ron Davies asked the Secretary of State for Education and Science if he will make a statement on the progress of the environmental epidemiology research unit of the Medical Research Council in its consideration of research into the incidence of cancer in relation to pesticides and agrochemicals.

Mr. Brooke: I understand that the Medical Research Council's environmental epidemiology unit is conducting a study of cancer incidence and mortality in a group of workers exposed to herbicides and pesticides in the course of manufacture and application, that the gathering of data for the study is complete and that the unit is at present analysing the data.

Class Sizes

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many children in primary and secondary schools are in classes with *(a)* 31 to 35 pupils, *(b)* 36 to 40 pupils and *(c)* over 40 pupils.

Mr. Dunn: The information requested is as follows:

Numbers of children in schools by size of class (England, January 1984)

Number of pupils in class	*30 or fewer pupils*	*31-35 pupils*	*36-40 pupils*	*Over 40 pupils*	*Total*
Classes taught by one teacher					
Primary	2,608,929	796,447	87,368	7,747	3,498,491
Secondary	2,999,803	363,704	12,795	3,216	3,379,518
Classes taught by two or more teachers					
Primary	72,908	34,606	18,051	46,044	171,609
Secondary	40,001	12,848	7,051	104,264	164,164
All classes					
Primary	2,679,837	831,053	105,419	53,791	3,670,100
Secondary	3,039,804	376,552	19,846	107,480	3,543,682

Teachers (Pay)

Mr. Deakins asked the Secretary of State for Education and Science what is the purpose of the present system of incremental pay scales for teachers in maintained schools; and if this purpose is being achieved.

Sir Keith Joseph: The purpose of the present system is not made explicit in the pay agreement made by the responsible Burnham committee. Recent work by and under the committee has addressed criticisms of the present system as regards the rewards for differing levels of experience, expertise and responsibility, and the career structure for teachers.

PRIME MINISTER

Falkland Islands

Mr. Foulkes asked the Prime Minister if she will place in the Library a copy of the constitutional document concerning the Falkland Islands which has been discussed by the Falklands Legislative Council.

The Prime Minister: A copy of this document was placed in the Library of the House yesterday.

TRADE AND INDUSTRY

False and Misleading Price Information (Review)

Mr. Coombs asked the Secretary of State for Trade and Industry what consultations have been conducted on the interdepartmental working party's review of legislation on false and misleading price information; what action he now intends to take; and if he will consider extending the review to cover consumer price indications for real property, including new houses.

Mr. Fletcher: I hope to make an announcement to the House on this matter shortly.

NATIONAL FINANCE

Public Borrowing

Mr. Deakins asked the Chancellor of the Exchequer what is the Government's target for the level of public borrowing as a proportion of gross domestic product.

Mr. Peter Rees: The Government's policies are directed towards a progressive reduction in public borrowing over the medium term. The Chancellor's autumn statement gave a forecast of £8½ billion for the PSBR in 1984-85, equivalent to 2·5 per cent. of gross domestic product. Illustrative figures for later years are set out in the medium-term financial strategy, published in the 1984-85 Financial Statement and Budget Report, and these will be reviewed at Budget time.

Nationalised Industries

Mr. Freeman asked the Chancellor of the Exchequer what steps he proposes to take to reappraise the relative rates of return of all nationalised industries.

Mr. Peter Rees: Successive Governments have required industries' investment programmes to earn a real rate of return of 5 per cent. before tax. Individual financial targets spanning a fixed period are set for nearly all nationalised industries. They are usually expressed in terms of a current cost operating profit as a percentage of revalued assets and are based on discussion with the industries. They reflect a judgment about the application of the basic principles on investment and economic pricing to the particular trading environment of the industry concerned. Industries' rates of return are, therefore, already systematically reviewed from time to time and I see no need for further reappraisal.

Coal Industry Dispute

Mr. Cohen asked the Chancellor of the Exchequer if he will estimate the cost to date to the public sector borrowing requirement of the dispute in the mining industry; and if he will make a statement.

Mr. Peter Rees: The autumn statement gave an estimate of abut £1½ billion as the cost to the PSBR in 1984-85 on the assumption that the strike would end on 31 December 1984. It is too soon to give any new estimate of cost.

Bank Interest

Mr. Hickmet asked the Chancellor of the Exchequer if he is now in a position to make a statement about the arrangements for non-resident individuals in connection with the composite rate scheme for bank interest introduced by the Finance Act 1984.

Mr. Ian Stewart: Yes. The new scheme provides for the exclusion from the composite rate tax arrangements of deposits held by individuals who are not ordinarily resident in the United Kingdom, provided the deposit taker holds an appropriate declaration, signed either by the non-resident beneficially entitled to the interest, or by a person receiving the interest on his behalf, certifying that the individual concerned is not ordinarily resident in the United Kingdom and that a relevant change in residence status will be notified to the deposit taker.

It has become clear, in the light of recent discussions with the banks, that the form and content of these declarations need to be more precisely defined both to ensure effective compliance and in the interest of efficient implementation of the scheme. We therefore propose to introduce measures this year to facilitate this. Details will be given in an Inland Revenue press release which, with my authority, it is issuing later today.

DEFENCE

Reme Workshops

Mr. Denzil Davies asked the Secretary of State for Defence what is the estimated total cost of the refurbishment and so on which will be required at Bicester, Bovington, Donnington and Old Dalby in consequence of the closure of the REME workshops at Chilwell and Newark.

Mr. Lee: It is not possible to separate the consequences of the closure of Chilwell and Newark in cost terms from refurbishment and other costs arising from the totality of REME static workshop review proposals. The estimated capital investment needed in the workshops mentioned in order to satisfy the requirements proposed for the reorganisation of the static workshops are:

	£
Bicester	805,000
Bovington	885,000
Donnington	130,000
Old Dalby	600,000

However, there are capital savings associated with the closures; these amount to £4 million. to which should be added the realisable value of the Chilwell and Newark sites, assessed together at £1·5 million.

Amber Alert (Liverpool)

Mr. Parry asked the Secretary of State for Defence why members of the armed forces were placed on amber alert in Liverpool in November 1984.

Mr. Stanley: It would not be in the public interest to comment in detail on the reasons for the particular alert states applying to the armed forces; but we must be alert to the danger of terrorist attack. The state of alert in November 1984 applied throughout the United Kingdom.

Winter Temperatures (Lanarkshire)

Dame Judith Hart asked the Secretary of State for Defence what temperatures have been recorded for the Meteorological Office at Carnwath, Lanarkshire, in each winter month in each of the last five years; and what is the latest temperature recorded.

Mr. Lee: There is no meteorological office at Carnwath, Lanarkshire. However, temperature measurements are available to the Meteorological Office free of charge from a voluntary climatological observer there. These consist of daily maximum and minimum temperatures and the temperature measured at 9 am each day and are reported monthly in arrears.

To extract from archives the 2,700 temperatures recorded over the period requested would involve disproportionate effort. The latest measurement, obtained by telephone from the volunteer, the minimum temperature on 21 January 1985, was minus 10°C. However, the following details are illustrative.

Temperature record, Carnwath, Lanarkshire

	Absolute maximum (°C)	*Highest daily mean (°C)*	*Monthly mean (°C)*	*Lowest daily mean (°C)*	*Absolute mimimum (°C)*
1980					
January	7·8	4·3	−0·1	−7·1	−13·5
February	10·0	7·4	3·2	−4·4	−9·2
March	9·8	5·1	2·1	−2·8	−8·4
October	13·1	10·8	6·2	0·3	−6·2
November	12·0	9·9	4·1	−2·3	−8·2
December	10·6	8·4	3·4	−2·3	−8·0
1981					
January	9·5	7·8	2·5	−3·3	−9·2
February	10·1	7·4	1·5	−2·6	−9·1
March	13·4	10·1	4·9	−1·6	−7·6
October	11·7	10·8	4·4	−0·9	−7·8
November	12·2	8·7	5·1	0·7	−4·0

	Absolute maximum (°C)	Highest daily mean (°C)	Monthly mean (°C)	Lowest daily mean (°C)	Absolute minimum (°C)
December	9·1	5·1	−3·4	−12·3	−18·8
1982					
January	9·5	7·9	−0·7	−15·9	−24·8
February	10·5	7·5	3·6	−2·3	−8·8
March	13·6	8·3	3·6	−0·3	−6·4
October	15·5	11·3	7·8	3·5	−3·0
November	12·0	10·0	4·7	−0·1	−7·3
December	10·2	6·3	1·4	−4·3	−9·3
1983					
January	10·9	7·8	3·9	−3·0	−8·9
February	7·7	3·9	0·1	−3·4	−9·9
March	10·7	8·4	4·6	−0·3	+5·9
October	18·0	15·0	7·5	0·7	−7·3
November	13·2	10·9	4·8	−3·4	−11·4
December	11·9	8·5	3·9	−3·3	−8·9
1984					
January	9·8	4·5	−0·2	−11·3	−19·5
February	8·3	6·0	1·9	−2·9	−10·1
March	10·6	7·7	2·7	−2·9	−6·4
October	16·5	12·9	8·0	4·1	−2·3
November	12·8	9·0	5·4	−2·3	−7·6
December	11·4	9·0	3·5	−3·8	−9·9

ENERGY

Magnox Reactors

Mr. D. E. Thomas asked the Secretary of State for Energy (1) if he will provide information on the thermal energy generated and spent fuel discharged by each of the Central Electricity Generating Board's magnox reactors in the fiscal year 1983-84;

(2) if he will provide information on the amount of plutonium produced, and the total of all isotopes, by each of the Central Electricity Generating Board magnox reactors in each fiscal year from 1978-79 to 1983-84;

(3) if he will provide information on the amount of plutonium in the spent fuel in storage at the each of the Central Electricity Generating Board's magnox reactors on 31 March 1978 and on 31 March 1984;

(4) if he will update to 31 March 1984 the information on the allocation of plutonium produced in Central Electricity Generating Board and South of Scotland Electricity Board magnox reactors given in reply to the hon. Member for Broxtowe (Mr. Lester), on 27 July 1983, *Official Report*, column 438.

Mr. Goodlad: The following table sets out the allocation or use of plutonium produced in the Magnox reactors of the CEGB and SSEB at 31 March 1984.

Table One
Allocation of Plutonium produced in CEGB or SSEB Magnox reactors. Position at 31 March 1984.

	Tonnes (Nearest ½tonne)
Plutonium in irradiated fuel	
(a) Estimated in fuel in CEGB/SSEB Magnox reactors	9
(b) Estimated plutonium in fuel discharged from CEGB/SSEB Magnox reactors, but not yet reprocessed	3½
Separated plutonium	
(c) In stock at British Nuclear Fuels Ltd as oxide	19½
(d) In process at British Nuclear Fuels Ltd in intermediate other forms (eg. nitrate)	½
(e) Sold or leased to UKAEA for Fast Reactor R & D since 1969	5
(f) Exported for civil purposes to countries other than the US	½
Sub total	38
(g) Balance (see note (g) below)	

Notes
(a) These figures are derived from the known tonnage of fuel elements and their estimated overall average irradiation and cannot be accurately calculated.
(b) As for (a). About 30% of amount shown was held by BNFL.
(c) About 20% of amount shown was held by BNFL.
(g) The balance of plutonium produced in the Boards' Magnox reactors was consigned to the United States before 1971 under the United States/United Kingdom Defence Agreement, and as stated by the Prime Minister, on 21 April 1964, was used by United States for civil purposes. Because of the barter arrangements under which this plutonium was consigned, it would not be in the national interest to publish this figure.

The thermal output generated and spent fuel discharged for each of the CEGB's Magnox stations in 1983-84 was as follows:

Table Two

Station	Thermal Output (Gwh)	Fuel Discharged (tonnes u)
Bradwell	5448	64
Berkeley	3786	8
Hinkley Point A	13416	104
Trawsfynydd	10678	105
Dungeness A	10368	94
Sizewell	11552	91
Oldbury	10668	97
Wylfa	24249	121

The total of the board's plutonium in spent fuel in storage at the stations and at Sellafield at 31 March 1984 is given in table one line b. Typical plutonium production rates for Magnox reactors were given by my hon. Friend

the Member for Pudsey (Mr. Shaw) in answer to a question from my hon. Friend the Member for Erewash (Mr. Rost) on 27 July 1983 at column *439*. I have nothing to add.

Combined Heat and Power

Mr. Rost asked the Secretary of State for Energy whether he has decided which consortia will receive grants for the preparation of a prospectus for a combined heat and power district heating scheme following his announcement on 5 April 1984; and if he will make a statement.

Mr. Peter Walker: On 5 April, I announced the Government's willingness to make up to three grants, not exceeding £0·25 million each, to consortia for the preparation of a prospectus for a combined heat and power/district heating scheme. I said then that the preferred choice would be one scheme in each of Northern Ireland, Scotland and England and that the Government would be looking for substantial private sector involvement in the consortia. I received 10 proposals.

In deciding upon the consortia to receive further funding, I particularly took into account:

the extent to which the proposal covered the features requested in my earlier announcement;
the commitment expressed by private sector interests to the consortia;
the technical strength of consortium participants;
the existence of strong local support;
the likelihood of private sector funding for the eventual scheme;
the contribution of the proposal to the wider application of CHP in the United Kingdom.

After detailed examination of the proposals, and following consultation with my colleagues, I propose to offer grants to the following consortia:

The Joint Venture for CHP in Belfast;
The Industrial Group for Edinburgh CHP;
The Leicester Consortium for CHP.

ATTORNEY-GENERAL

Non-English Language Publications

Mr. Eldon Griffiths asked the Attorney-General what means he has available to scrutinise non-English language publications that circulate among ethnic minorities in order to ascertain whether inflammatory material is being published that is offensive under section 70 of the Race Relations Act or the Public Order Act; what steps he has taken to bring prosecutions when such material is published; and what have been the results.

The Attorney-General: I do not have the facilities available within my Department for the routine scrutiny of non-English language publications. If I receive a complaint about such publications, and have reason to believe that an offence may have been committed under this provision, I will ask the Director of Public Prosecutions to refer the matter to the police, who have translation facilities available to them. Before reaching a decision to refer the matter to the police for translation, I welcome an indication, however rough, of the contents of the material. So far as I am aware there have been no prosecutions under section 5A Public Order Act 1936 in respect of non-English language publications. However, in 1982 the Director of Public Prosecutions on his own initiative referred two editions of "Punjab Times" and one edition of "Des Pardes" to the police for translation. The Director decided that no action under section 5A Public Order Act was required in respect of these editions, and did not refer the matter to me.

Commander Wreford-Brown

Mr. Chris Smith asked the Attorney-General if the Director of Public Prosecutions will prosecute Commander Wreford-Brown in respect of information provided by him and published in "Our Falklands War" in March 1983.

The Attorney-General: The circumstances of the publication of "Our Falklands War" have not been referred to the Director of Public Prosecutions by the Ministry of Defence or any other body or individual.

EMPLOYMENT

Enterprise Allowance Scheme

Mr. Wigley asked the Secretary of State for Employment how many persons have applied for assistance under the enterprise allowance scheme whose applications were refused because of a lack of places under the scheme.

Mr. Alan Clark: High demand for places early in 1984 meant that many people had to wait before they could proceed with their applications. However, in response to this demand the number of places available on the scheme was increased substantially and waiting lists were eliminated.

Labour Statistics

Mr. Wigley asked the Secretary of State for Employment if he will publish for the latest available date a table showing the numbers out of work and the unemployment rate for each of the countries of the EEC and for each of the four countries of the United Kingdom respectively.

Mr. Alan Clark: Following is the available information using national unadjusted series, and also including standardised unemployment rates compiled by the OECD. The latter are only available in the form of rates. The national unadjusted figures are not comparable because of differences in definitions and coverage of the statistics, while the OECD standardised rates take account of these differences as far as possible.

EC unemployment

	Unadjusted, national definitions			*OECD standardised rates*	
	Latest month	*Thousands*	*Percentage rate*	*Latest month*	*Percentage rate*
Belgium	November	510·0	18·5	November	15·7
Denmark	October	257·4	9·8	*	*
France	December	2,524·9	13·2	November	9·2

	Unadjusted, national definitions			OECD standardised rates	
	Latest month	Thousands	Percentage rate	Latest month	Percentage rate
Germany	December	2,325·2	9·4	November	8·0
Greece	November	89·0	5·3	*	*
Ireland	December	225·4	17·4	*	*
Italy	November	2,982·8	13·2	April	10·4
Luxembourg	November	2·8	1·8	*	*
Netherlands	November	797·5	17·1	November	13·5
United Kingdom of which	December	3,219·4	13·4	November	13·4
England	December	2,577·1	12·8	*	*
Northern Ireland	December	119·4	20·6	*	*
Scotland	December	342·9	15·2	*	*
Wales	December	180·1	16·8	*	*

*Not available.

Mr. Ron Davies asked the Secretary of State for Employment how many people have been unemployed for over 12 months; and what were the comparable figures in April 1979.

Mr. Foulkes asked the Secretary of State for Employment what are the numbers of people unemployed for over 12 months; and what this is as a proportion of those out of work.

Mr. Robert B. Jones asked the Secretary of State for Employment (1) by what percentage the total number of unemployed in the Hertfordshire, West constituency has changed between December 1983 and December 1984;

(2) by what percentage the total number of unemployed women in the Hertfordshire, West constituency has changed between September 1984 and December 1984.

Mr. Alan Clark: The information is available in the House of Commons Library.

FOREIGN AND COMMONWEALTH AFFAIRS

Taiwan

Mr. Murphy asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement of Government policy regarding the Republic of China on Taiwan and future diplomatic and commercial relations.

Mr. Luce: Since 1950 Her Majesty's Government have dealt with the Government of the People's Republic of China as the sole legal Goverment of China. Accordingly there can be no question of entering into diplomatic or other official relations with the authorities in Taiwan.

British industry has substantial commercial dealings with Taiwan, but these are pursued through non-official channels.

Falkland Islands

Mr. Wigley asked the Secretary of State for Foreign and Commonwealth Affairs what is his estimate of the total cost against his budget of maintaining the Falkland Islands for the present financial year; and what are the corresponding figures for 1982-83 and 1983-84.

Mr. Renton: There is no provision in the Foreign and Commonwealth Office budget for the normal cost of maintaining the Falkland Islands. Normal expenditure is met from the Falkland Islands Government revenues.

Provision has, however, been made in the Foreign and Commonwealth Office budget for rehabilitation and development aid, and for the cost of the Diplomatic Service personnel in Port Stanley. These costs are approximately as follows:

	Rehabilitation and Development Aid £ million	Diplomatic Service Personnel £
1982-83	10	152,000
1983-84	6	170,000
1984-85*	8	187,000

* Estimate.

Hong Kong

Mr. J. Enoch Powell asked the Secretary of State for Foreign and Commonwealth Affairs if he will analyse the present population of the colony of Hong Kong, other than persons temporarily resident there, according to their existing nationality, specifying in each category the basis of that status and the estimated numbers holding it.

Mr. Luce: According to the latest figures available the total population of Hong Kong is approximately 5·3 million. The Hong Kong Government estimate that this figure is made up as follows:

A. 20,000 British Citizens (with right of abode in the United Kingdom).
B. 3 million British Dependent Territories citizens (with right of abode in Hong Kong).
C. 1·8 million Chinese residents (ie persons of Chinese race with the right to reside in Hong Kong).
C. 400,000 other persons of Chinese race (who have lived in Hong Kong for less than seven years and have not therefore acquired the right of permanent residence).
E. 95,500 Other foreign nationals.
F. 4,500 Stateless persons of non-Chinese race, most of whom originate from Vietnam, Laos and Cambodia.

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs why the new category of British nationality (overseas) is proposed for Hong Kong instead of the existing category of British overseas citizenship; and in what significant respects the former differs from the latter.

Mr. Luce: We believe that the circumstances of Hong Kong are unique and should be reflected in a unique status. There are also reasons why British overseas citizenship would not be an "appropriate status" within the terms of the United Kingdom memorandum. For example, British overseas citizenship may be acquired at any time by registration, but the United Kingdom memorandum imposes time limits on the acquisition of the new status.

The benefits to be accorded to holders of the proposed new status of "British national (overseas)" are still under detailed consideration and will be subject to parliamentary

approval. The Government intend, however, that they should be broadly the same as those enjoyed by British dependent territories citizens, except for transmissibility. This means that there are unlikely to be major differences under United Kingdom law in the benefits enjoyed by holders of the proposed British national (overseas) status and the existing British overseas citizenship.

TRANSPORT

Stage Carriage Bus Services

Mr. Caborn asked the Secretary of State for Transport how many applications for road service licences to run stage carriage bus services have been made in the last two years for which figures are available; and how many of these applications have been refused.

Mr. David Mitchell: In 1982-83 2,005 applications were made for new road service licences (excluding renewals and excursions and tours). Three hundred and fifty-one applications were opposed of which 104 were withdrawn following objection and 18 refused. The comparable figures for 1983-84 were 1,885, 319, 93 and seven.

Felixstowe Dock and Railway Bill

Mr. Weetch asked the Secretary of State for Transport whether he has made any study of the navigational implications of the provisions contained in the Felixstowe Dock and Railway Bill.

Mr. David Mitchell Before making its report on the Bill in due course, the Government will consider all its aspects, including those affecting navigation.

Railway Closures

Mr. Pavitt asked the Secretary of State for Transport if he will introduce legislation to enable all objectors appearing before transport users' consultative committees in connection with railway closures to be represented by counsel; and if he will make a statement.

Mr. David Mitchell: There is nothing in the present law to prevent the chairman of a transport user's consultative committee allowing objectors to be represented by counsel when public hearings into rail passenger closure proposals are held, and I understand that some chairman already do so.

Severn Bridge (Tolls)

Mr. Roy Hughes asked the Secretary of State for Transport if he will now announce his decision, following the commissioners' report, about the proposal to increase toll charges on the Severn bridge.

Mrs. Chalker: As I explained to the hon. Member in my reply of 3 December 1984 at column *32*, the inspector's report is being considered. The decision will be announced as soon as possible.

Road Signs

Mr. Forth asked the Secretary of State for Transport what is the annual cost of maintenance of road signs for the years 1980 to 1984.

Mrs. Chalker: The cost of maintaining road signs is not recorded as a separate item. However, the total costs of routine maintenance of permanent road signs, traffic signals, pedestrian crossings and motorway communications equipment in England in the financial years 1980-81 to 1982-83 were as follows:

£ million

	1980-81	*1981-82*	*1982-83*
Motorways and trunk roads	5·125	5·792	6·596
Local authority roads	32·758	37·924	40·672
Total	37·883	43·716	47·268

Final figures for 1983-84 are not yet available.

Maritime Research Projects and Studies

Mr. Prescott asked the Secretary of State for Transport if he will list the research projects and studies on maritime issues which are currently under commission by his Department, their purpose, the organisations which are carrying out the work, and the costs.

Mr. David Mitchell: The total value of research under commission during the present financial year is £3·281 million. I shall write to the hon. Member giving information about individual projects.

ENVIRONMENT

Urban Development (Leeds)

Dr. Hampson asked the Secretary of State for the Environment what urban development grant schemes have been approved for Leeds; at what cost to public funds; and how much private investment they have generated.

Sir George Young: Six projects in Leeds are the subject of current offers of urban development grant. The estimated public expenditure is £5 million and this will lever an estimated £9·9 million of private investment. Three other offers of UDG have not been taken up. The six projects are as follows:

Construction of 45 low cost houses and flats for sale at Hill street, Beeston (UDG £158,000; total project cost £1,023,000).

Refurbishment of difficult-to-let local authority housing on the Raynville estate to provide 238 flats for sale and 49 new houses (UDG £2,311,000; total project cost £6,700,000).

Construction of four shop units at Chapeltown road (UDG £96,000; total project cost £267,000).

Provision of 85,000 sq ft of industrial space at Balm and Beza roads (UDG £1,349,000; total project cost £3,335,000).

Conversion to provide premises at Nineveh road for an expanding catering business (UDG £109,000; total project cost £257,000).

Conversion and construction to provide 120 dwellings for assured tenancies and sale at Crown point bridge (UDG £942,000, English heritage grant £60,000, total project cost £3,409,000).

Homes Insulation

Mr. Frank Field asked the Secretary of State for the Environment if he will publish in the *Official Report* a table giving, by quarter since their inception, for England *(a)* the number of dwellings insulated under the local authorities energy conservation programme and a breakdown of the body which completed the work, *(b)* the

cost of the programme and *(c)* the number of dwellings insulated under the home insulation scheme and a breakdown of tenancies to whom the grants were paid, *(d)* the amounts of the payments, *(e)* the number of 90 per cent. grants paid and their costs and *(f)* the financial allocation for each of the past financial years to each of these schemes and the allocation for the current financial year.

Sir George Young: Available quarterly figures of numbers of dwellings in England insulated under the energy conservation programme and the home insulation scheme, from third quarter 1979 to third quarter 1984, appear in "Housing and Construction Statistics" tables 2.18 of issue 7, 2.16 of issue 12 and 2.17 of issue 19 which also contains estimated payments from third quarter 1982; the earlier figures of numbers under the home insulation scheme are in table 2.16 of issue 4.

Copies of these publications are in the Library. The sub-division of energy conservation work according to the organisation carrying out the work has not been collected since the second quarter 1984.

The other information requested is as follows:

Energy conservation programme: work completed by: thousand dwellings

Quarter	*Direct labour*	*Contractor*	*Special temporary employment programme*	*All*
1978				
2	0·9	2·5	2·0	5·4
3	4·7	7·3	4·6	16·6
4	33·3	32·0	27·6	93·0
1979				
1	30·4	71·5	28·5	130·3
2	16·1	61·8	24·8	102·7

Quarter	*Energy conservation programme Capital payments £ million*	*Home insulation scheme Grant payments £ million*
1978		
2	0·2	—
3	0·8	—
4	3·3	3·4
1979		
1	9·0	5·3
2	4·6	3·1
3	6·4	2·4
4	6·4	4·1
1980		
1	12·6	4·7
2	3·5	2·7
3	3·3	1·8
4	3·8	4·4
1981		
1	3·1	5·7
2	1·4	5·0
3	1·3	4·6
4	2·6	5·6
1982		
1	6·4	6·3
2	1·7	5·5

Home insulation scheme: 90 per cent. grants paid

Quarter	*Thousand dwellings*	*Payments: £ million*
1980		
4	21·1	1·6
1981		
1	23·1	2·0
2	20·0	1·5
3	19·0	1·5
4	22·1	1·8
1982		
1	23·0	2·4
2	23·1	2·1
3	21·6	2·2
4	26·3	2·1
1983		
1	27·0	2·6
2	15·8	1·6
3	14·4	1·3
4	19·7	1·5
1984		
1	19·3	2·1
2*	13·4	1·2
3*	11·2	1·2

* Provisional.

Allocations to Local Authorities

	Energy conservation programme £ million	*Home insulation scheme £ million*
1978-79	24·2	19·3
1979-80	28·1	25·5
1980-81	*	16·7
1981-82	*	24·6
1982-83	*	32·8
1983-84	*	31·9
1984-85	*	31·5

* No separate allocations.

Turnstiles and Revolving Doors

Mr. Stephen Ross asked the Secretary of State for the Environment if he will amend the building regulations so as to restrict the installation and use of turnstiles and revolving doors in public buildings.

Sir George Young: My right hon. Friend has no plans to amend the building regulations for this purpose.

Water Authorities

Mr. Skeet asked the Secretary of State for the Environment if he will introduce legislation to enable water authorities to borrow on the open market.

Mr. Macfarlane: Water authorities are enabled by virtue of section 2(1) of the Water Act 1983 to borrow on the open market, subject to the consent of the Secretary of State and the approval of the Treasury.

Mr. Skeet asked the Secretary of State for the Environment what proportion of the additional funds generated by the increased rate of return set for the water authorities will be retained by the authorities for their own use.

Mr. Macfarlane: As the following table shows, the higher rates of return to be achieved by the water

authorities in England in 1985-86 will enable £76 million more investment to go ahead with £71 million less borrowing:

	*Capital Expenditure	†External Finance Limit
1984-85 (Cmnd. 9143)	686	‡240
1985-86 (Cmnd. 9428)	762	‡169

* Excluding land drainage.
† Excluding land drainage grants.
‡ Consistent with EFLs for England and Wales (including land drainage grants) published in Cmnd. 9143 and Cmnd. 9428.

Mr. Rooker asked the Secretary of State for the Environment in what precise form he has communicated to water authorities their financial targets for 1985-86.

Mr. Macfarlane: My hon. Friend, the Minister for Housing and Construction has written to the Chairmen of the English Water Authorities to tell them their financial targets for 1985-86. They will also have copies of an order under section 29 of the Water Act 1973 which has been laid before the House.

Water Act 1973

Mr. Skeet asked the Secretary of State for the Environment on how many occasions the powers vested in him by section 29(2) of the Water Act 1973 have been used.

Mr. Macfarlane: Five.

Ronan Point

Mr. Spearing asked the Secretary of State for the Environment when he expects the records of the public inquiry into the collapse of Ronan Point to be available for authorised inspection; and if he will make a further statement concerning previously reported losses of documents.

Mr. Gow: I have written to the hon. Member, informing him that the papers will be available for inspection from 28 January.

In my letter of 10 December 1984 I informed the hon. Member that the inquiry's papers recovered from storage last October are incomplete. Thorough searches continue to be made for the remaining papers, and copies of some have been found. But it is possible that some were destroyed when the papers were reviewed in 1973 under the normal procedures for the review of all Departmental documents after five years.

London Docklands Development Corporation

Mr. Spearing asked the Secretary of State for the Environment what compulsory purchase orders have been laid by the London Docklands Development Corporation; and what is the nature or content of the reasons in support of such orders that the corporation plans to present to any ensuing statutory procedures.

Sir George Young: The only order submitted to my right hon. Friend is the London Docklands Development Corporation (Johnson's Draw, Ferry Street, London E14) CPO 1984. The stated reason for the order is that it is for the purpose of providing public open space and access to the river for small craft to be landed and launched.

Water Supplies (Liverpool)

Mr. Wareing asked the Secretary of State for the Environment what representations he has received concerning the pollution of water supply in the Liverpool area; what plans he has to give protection against a recurrence of such pollution; and if he will make a statement.

Mr. Macfarlane: No water supplies have been contaminated in the Liverpool area in recent weeks.

On two recent occasions, chemicals have been spilled in the River Dee catchment. Thanks to the prompt and well-planned action of the Welsh water authority and the North-West water authority, and the two water companies concerned, none of the polluting material has entered any water supply.

I have seen various understandable expressions of concern, but it is clear that the water undertakers were ready and able to deal with the problems arising from these two spillages.

Plutonium

Mr. D. E. Thomas asked the Secretary of State for the Environment if he will give the numbers of curies of plutonium-238, plutonium-239, plutonium-240, plutonium-241 and plutonium-242, separately for each isotope, discharged to sea from the Sellafield-Windscale plant during the period 1963 to 1982 inclusive.

Mr. Waldegrave: Discharge figures for plutonium-238, plutonium-239 and plutonium-241 for the period 1963 to 1982 are contained in table 3.1 of the National Radiological Protection Board's report entitled "The risks of leukaemia and other cancers in Seascale from radiation exposure", reference NRPB-R171. Copies of this report are available in the Library of the House.

Prior to 1978 plutonium-238 was not separately analysed but it was included in the figure given in the table for plutonium-239. Plutonium-240 has never been separately analysed but it is included in the plutonium-239 figure. Plutonium-242 has at no time been analysed separately.

Queen's Birthday Parade

Mr. Pendry asked the Secretary of State for the Environment what is the number of seats available for the Queen's birthday parade; and how many spaces are provided for wheelchairs.

Mr. Stanley: I have been asked to reply.

A total of 7,780 seats are available for the Queen's birthday parade. Space is provided for 20 wheelchairs.

Mr. Pendry asked the Secretary of State for the Environment how many people applied for tickets for the Queen's birthday parade; of these how many applicants required wheelchair space; and how many people in each case were refused tickets in each year since 1980.

Mr. Stanley: I have been asked to reply.

No detailed records are kept of applications for seats and wheelchair places, but on average about one in 10 of the applications from the general public for a seat and two in five of the applications for a wheelchair place would be successful.

AGRICULTURE, FISHERIES AND FOOD

Animal Welfare

Mr. Greenway asked the Minister of Agriculture, Fisheries and Food if he will list those local authorities which have appointed animal welfare officers, and those which have not done so; and if he will detail the number of prosecutions brought by local authorities for animal abuse in each of the last 10 years; and if he will make a statement.

Mr. MacGregor: All local authorities must, under the terms of the Animal Health Act 1981, appoint inspectors whose duty it is to execute and enforce the Act. These responsibilities include orders made under the Act for the protection of animal welfare in transit and at markets. Local authorities are also responsible for carrying out and enforcing the provisions of the Slaughter of Poultry Act 1967 and Part II of the Slaughterhouses Act 1974 which lay down provisions for the welfare of animals in slaughterhouses.

Information on criminal proceedings is a matter for my right hon. Friend the Secretary of State for the Home Department. I understand that information held centrally does not separately distinguish local authorities as instigators of proceedings.

Cereals

Mr. Deakins asked the Minister of Agriculture, Fisheries and Food what are the Government's policy objectives for cereals in the forthcoming EEC price negotiations; and if he will seek to ensure that cereal prices are reduced.

Mr. MacGregor: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) on 17 January 1985 at col. *198*.

Beef

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food what was the total quantity of beef purchased by the intervention board in Northern Ireland during 1984.

Mr. Jopling: The total quantity of beef purchased in Northern Ireland in 1984 by the Intervention Board for Agricultural Produce is estimated at 36,190 tonnes.

Mr. Nicholson asked the Minister of Agriculture, Fisheries and Food what percentage of beef sold into intervention in Northern Ireland during 1984 was *(a)* bone-in and *(b)* bone-out.

Mr. Jopling: All intervention beef is purchased bone-in. However, of the 36,190 tonnes purchased by the intervention board in Northern Ireland in 1984, 46 per cent. was stored bone-in and 54 per cent. was allocated for boning.

SOCIAL SERVICES

Schizophrenia

Mr. Hunter asked the Secretary of State for Social Services what amount and what proportion of National Health Service expenditure has been devoted to the care and treatment of patients suffering from schizophrenia in each year since 1974.

Mr. John Patten: This information is not held centrally.

Mr. Hunter asked the Secretary of State for Social Services (1) how many patients were receiving treatment in the National Health Service for schizophrenia at a convenient date in each year since 1974;

(2) what proportion of National Health Service beds in each year since 1974 have been taken up by schizophrenia patients.

Mr. John Patten: Information by diagnosis is collected centrally only on hospital inpatients and is not precisely in the form requested. The available information which can be provided without disproportionate cost is given in the table.

Admission to, Discharges from, and Deaths in Mental Illness Hospitals and Units in England of Patients with a diagnosis of Schizophrenic Psychoses

Year	Admissions†	Discharges†	Deaths
1974	26,900	27,801	1,369
1975	27,013	27,777	1,287
1976	27,388	27,798	1,473
1977	25,738	26,560	1,264
1978	24,999	25,615	1,261
*1979	24,283	24,617	1,277
*1980	24,747	25,240	1,260
*1981	25,313	25,992	1,146
*1982	23,934	24,594	1,170
*1983	24,314	25,336	1,045

* The figures from 1979 may not be precisely comparable with the figures for earlier years because of changes in the coding system used.
† Some patients have more than one admission and subsequent discharge in a year and are represented more than once in the figures. Equally, some patients can be treated for several years between admission and discharge or death.

Mr. Hunter asked the Secretary of State for Social Services what public funds have been made available for research into schizophrenia in each year since 1974.

Mr. Brooke: I have been asked to reply.

The Medical Research Council, which receives its grant-in-aid through the Department, is the main Government agency for the promotion of medical research in the United Kingdom. The Department of Health and Social Security also supports research through its health service research programme. I understand that the expenditure on research projects on schizophrenia by the MRC and the DHSS since 1980 (excluding expenditure by the MRC on projects which might contribute indirectly to an understanding of schizophrenia) is as follows:

Financial year	£000s (cash) MRC	DHSS
1980-81	1,419	2·1
1981-82	1,518	10·5
1982-83	1,634	15·4
1983-84	1,778	14·3

No figures are available for MRC expenditure on research in this area prior to 1980-81.

Research work relevant to schizophrenia is also being conducted in universities and medical schools, financed from the block grant to universities allocated for teaching and research on advice from the University Grants Committee. Figures are not available.

National Insurance Contributions

Mr. McCrindle asked the Secretary of State for Social Services if he has received any representations calling for the burden of national insurance contributions to be removed from employers in respect of newly engaged staff; and if he will make a statement.

Mr. Newton: No direct representations have been received by the Department. I am, of course, aware of the Conservative Political Centre pamphlet "Jobs Ahead" which makes various suggestions about reducing the burden of national insurance contributions on employers. The structure of contributions will be considered in the context of the reviews of social security.

Cancer (Deaths)

Mr. Michael Brown asked the Secretary of State for Social Services what has been the number of deaths from cancer over the past three years in the area covered by the Grimsby health authority.

Mr. Kenneth Clarke: Numbers of deaths from malignant neoplasms (ICD 140-208) in the Grimsby health authority area for the latest three years available are shown in the table.

	Male	*Female*	*Persons*
1981	203	179	382
1982	201	208	409
1983	219	171	390

Supplementary Benefit

Mr. Wainwright asked the Secretary of State for Social Services what he estimates would be the current annual cost of raising to £5,000 the amount of savings disregarded in assessing supplementary benefit.

Mr. Whitney: Sufficient reliable data are not available to enable precise calculations to be made of the cost of raising the supplementary benefit capital disregard but our best estimate of the cost of raising the level to £5,000 is £30 million a year.

Young Persons (Benefits)

Mr. Sheerman asked the Secretary of State for Social Services what is the projected estimate of Government expenditure in 1985-86 on supplementary benefit, child benefit, unemployment benefit and housing benefit in respect of 16 and 17-year-olds.

Mr. Whitney: Estimated expenditure on child benefit for 16 and 17-year-olds in 1985-86 at November 1984 benefit rates is £300 million. The information requested on the other benefits is not available as we do not make forecasts of the age distribution of recipients of these benefits.

Rivermead Rehabilitation Centre

Mr. Alfred Morris asked the Secretary of State for Social Services if there is any action he will be taking to secure the future of the Rivermead rehabilitation centre in Oxford; and if he will make a statement.

Mr. Kenneth Clarke: The future of the Rivermead centre is secure. The regional health authority believes, however, that the centre would be better located in due course on the Churchill hospital site in Oxford, close to Ritchie Russell house, which is specially designed for the care of younger disabled people. This proposal will be first subjected to full and formal consultation which I am informed is likely to commence during March.

Severe Weather Payments

Mr. Home Robertson asked the Secretary of State for Social Services if he will publish a table showing how far the ambient temperature would have to fall in each Scottish region in the months of December, January and February in order to trigger special payments for pensioners under the severe weather allowances scheme.

Mr. Whitney: In addition to the regular weekly help with fuel costs available to supplementary benefit claimants, the regulations provide for single payments to be awarded to supplementary benefit claimants who have used more fuel than they have budgeted for because of a period of exceptionally severe weather. The basis on which such payments may be made is set out in my replies to my hon. Friends the Members for Dumfries (Sir H. Monro) and for Mid-Kent (Mr. Rowe) and the hon. Member for Walsall, North (Mr. Winnick) on 21 January at columns *349-352*.

The table lists for different areas of Scotland the "trigger points" — the points at which the Chief Adjudication Officer considers the "exceptionally severe weather" conditions in the regulations to be satisfied— grouped according to the seven weather stations used for Scotland. For each weather station the table shows the local social security offices in the area and the region(s) covered. The same trigger points apply throughout the year. The table also shows the average weekly temperature (the average of the mean daily temperatures over seven days) which would be needed to reach the trigger point.

Weather station	Local social security offices	Region	'Trigger point' (weekly total of degree days)	Average weekly temperature necessary to reach 'trigger point' (°C)
Aberdeen (Dyce)	Aberdeen (North) ILO Aberdeen (South) ILO Elgin ILO Peterhead ILO	Grampian Region	129	−2·9
Boulmer	Galashiels ILO	Border Region	122	−1·9
Carlisle	Dumfries ILO Stranraer ILO	Dumfries and Galloway Region	127	−2·6
Glasgow	Airdrie ILO Ayre ILO Bellshill Campbeltown ILO Clydebank ILO Coatbridge ILO Cumbernauld ILO Dumbarton ILO East Kilbride ILO	Strathclyde Region	126	−2·5
	Fort William ILO	Highland Region		
	Glasgow (Anniesland) ILO Glasgow (Bridgeton) AO Glasgow (City) ILO Glasgow (Craigton) ILO Glasgow (Cranston Hill) AO Glasgow (Dalmarnock) ILO Glasgow (Laurieston) ILO Glasgow (Maryhill) ILO Glasgow (Parkhead) ILO Glasgow (Patrick) AO Glasgow (Provan) ILO Glasgow (Queen's Park) AO Glasgow (Rutherglen) ILO Glasgow (Southside) ILO Glasgow (Springburn) AO Greenock ILO Hamilton ILO Irvine ILO Johnston ILO Kilmarnock ILO Motherwell ILO Oban ILO Paisley ILO Port Glasgow ILO	Strathclyde Region		
Leuchars	Abroath ILO	Tayside Region	122	−1·9
	Bathgate ILO	Lothian Region		
	Cowdenbeath ILO	Fife Region		
	Dundee (East) ILO Dundee (West) ILO	Tayside Region		
	Dunfermline ILO	Fife Region		
	Edinburgh (City) ILO Edinburgh (East) ILO Edinburgh (North) ILO Edinburgh (South) ILO Edinburgh (West) ILO	Lothian Region		
	Falkirk ILO	Central Region		
	Kirkcaldy ILO Leven ILO	Lothian Region		
	Perth ILO	Tayside Region		
	Stirling ILO	Central Region		
Stornoway	Stornoway ILO	Western Islands Region	111	−0·4
Wick	Inverness ILO	Highland Region	119	−1·5
	Lerwick ILO	Shetland Islands Region		
	Wick ILO	Highland Region		

Note:

A 'degree day' is the daily difference in degrees between a base temperature level at which it is estimated a building requires heating (15·5°C) and the 24-hour mean outside temperature. It is a widely used measure of temperature over time.

GREAT BRITAIN HOUSE OF COMMONS
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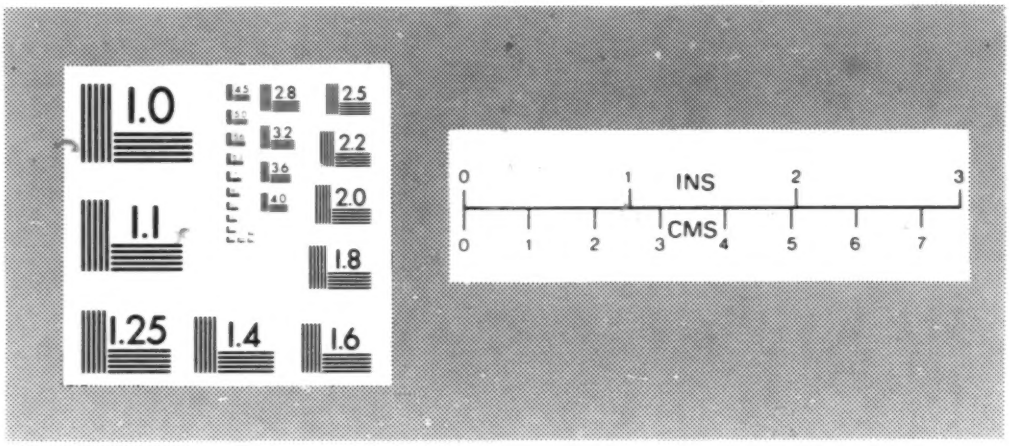

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OFFICIAL REPORT

SIXTH SERIES **VOLUME 71**

SESSION 1984-85

14th January—25th January 1985

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

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Bills 1R=first reading, 2R=second reading, Money res=money resolution, Com=Committee stage, Rep=Report stage, 3R=third reading, amendt/amendts=amendment/amendments, *=matter taken formally, without debate.

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